

Cruise Tourism in Belize: Perceptions of Economic, Social & Environmental Impact



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The research methodology and passenger questionnaires were based, in part, on INCAE's 2004 pilot study of cruise tourism in Costa Rica. In June 2005, Lawrence Pratt and Andrew Seidl from INCAE and William Durham, Martha Honey, and Vernita Ediger from CESD conducted a 5-day workshop for the field researchers at INCAE. The Belize research team consisted of four members: Jackie Crespo and Christina Cairns from the United States, recruited by CESD, and Gale Malic and Carolie Verde from Belize, recruited by the BTB. All four worked together in field research under the supervision of BTB officials Vincent Palacio, Anthony Mahler, and Raymond Mossiah. The overall project was supervised by CESD Directors, Martha Honey and William Durham, together with CESD Coordinators at Stanford University, Vernita Ediger and Geraldine Slean. The field research was supported by secondary source research carried out in the CESD offices by Molly Chapman, Zoe Chafe, Claire Nelson, Katherine Roubos, David Krantz, and Geraldine Slean.

In January 2006, CESD held a seminar at Stanford with the CESD Directors and staff, student researchers, Andrew Seidl and Vincent Palacio to review the data and preliminary findings. In August 2006, CESD, together with INCAE, presented the draft report at a public forum in Belize and the final report at a second public forum in Washington, DC. In Belize, BTB organized the August 2 forum which was attended by about 80 government, industry and NGO officials as well as the news media. Palacio chaired the event which included presentations by Anthony Mahler of BTB, William Durham, Geraldine Slean, and Martha Honey of CESD, Andrew Seidl of INCAE, and two of the field researchers, Carolie Verde and Gale Malic. At the August 18 forum, hosted by CESD, Durham, Slean, and Honey gave presentations, together with Lawrence Pratt from INCAE.

As these forums demonstrate, this report was a collaborative project in the full sense of the term, with a full team of authors and editors. Andrew Seidl analyzed the cruise passenger surveys and prepared early drafts of that section of the report. Geraldine Slean analyzed the field interviews conducted with a range of stakeholders in Belize and wrote drafts of that section. Martha Honey prepared drafts of the background, policy and recommendations sections, with input on recommendations from Lawrence Pratt, Amos Bien, William Durham, and David Russell. Earlier drafts of this study were critiqued by Anthony Mahler, Carlos Saavedra of the Summit Foundation, and several of the field researchers. Compilation and editing of the final report was overseen by Martha Honey and William Durham.

In efforts that parallel this study in Belize, CESD and INCAE have also carried out cruise research in selected sites of Mexico, Grenada, Costa Rica, and Honduras.

We are grateful to the Summit Foundation, BTB, and PACT for their financial support. INCAE and Stanford provided in-kind support, and Andrew Seidl's involvement in the project was supported, in part, by a Fulbright Scholar Award through INCAE. Other parts of CESD's cruise research have been made possible by contributions from Environmental Defense, USAID, the Grenada Tourism Board, and the Inter-American Development Bank.



On August 2, 2006 CESD, together with INCAE, presented the draft report at a public forum in Belize City.

EXECUTIVE SUMMARY

Over the last several decades, Belize has built an international reputation for small-scale, nature and cultural stayover tourism, widely known as “ecotourism.” Since 2000, the cruise industry has also put down roots in Belize, and today cruise tourism is widely viewed as a permanent part of the country’s tourism landscape. Beginning in 2002, cruise passenger numbers surpassed stayover visitors and in 2005 (the year of this study), more than 3.5 cruise passengers arrived for every stayover visitor. From 2000 to 2005 in fact, Belize was the fastest growing cruise market in the Caribbean. Today, there are indications that cruise visitor numbers may have peaked and tapered off somewhat, but the sector remains vitally important to ongoing development efforts. The Belize government, like others in Central America and the Caribbean, is faced with choices about how best to use resources in the service of the country’s tourism development. This study is intended to provide data and analysis to assist the Belize government as it, together with the tourism industry, NGOs, local communities, protected area managers, and other stakeholders, prepares for the new Tourism Master Plan.

Globally, both “experiential” forms of tourism (including ecotourism) and cruise tourism are growing rapidly.¹ In Belize, perhaps more than anywhere else in either region, cruise tourism is competing with and in some instances colliding with ecotourism. Belize’s national tourism motto – “Nature’s Best Kept Secret” – and its strategic vision for the new millennium of promoting “responsible tourism” that encourages “a strong ‘eco-ethic’ to ensure environmental and socio-cultural sustainability”² are challenged by the rapid growth of cruise tourism in the last six years. Balancing cruise and stayover tourism has proved an enormous challenge, and there are fears, as the *Los Angeles Times* recently wrote, that “Belize is killing its golden goose” of ecotourism with far too many cruise passenger “day trippers.”³

This study examines the terrestrial impacts – economic, social and environmental – of cruise tourism as they are viewed in Belize. It is based on field research, carried out in 2005 using academic protocols, involving over 600 surveys with cruise passengers and over 100 interviews with a range of stakeholders in Belize. Through analysis of cruise passenger and exit surveys (the latter conducted in 2003 by the Belize Tourism Board and Central Bank of Belize), the study compares spending patterns, activities, perceptions and preferences of cruise and stayover visitors. It also compares the two with respect to employment, taxes, and generated public revenue. Further, this study reviews the history, policy making, and public debate around cruise tourism in Belize, and explores its diverse impact in Belize from the perspective of a cross-section of Belizean stakeholders.

On the policy side, cruise tourism has been promoted in Belize as a tool for creating employment, improving infrastructure, generating revenue through sales and taxes,

1 World Tourism Organization (WTO). “Global Forecasts and Profiles of Market Segments”, Tourism 2020 Vision, 2001, p. 7;

UNWTO, World Tourism Barometer. (Jan. 2006). , Vol. 4, No. 1, p. 3.

2 Belize Tourism Board. “Strategic Vision for Belize Tourism in the New Millennium,” (2004). Retrieved June 4, 2006 from www.belizetourism.org/policy.html

3 Dickerson, M. “The Curse of the Daytrippers.” *Los Angeles Times*. (2006, April 1).

spreading the benefits of tourism to many small operators, and increasing tourism by converting cruise passengers into stayover visitors. The study finds that Belize has laid down some important building blocks for sustainably managing its tourism industry, both cruise and stayover. In 2000, Belize became the first country in the region to adopt a comprehensive national Cruise Tourism Policy and to foster multi-stakeholder discussions around both cruise and stayover tourism. While some aspects of the policy were disregarded as cruise tourism grew exponentially, some important policy objectives have been met. Cruise tourism has led to infrastructure improvements, most notably the building of the Tourism Village and upgrading of certain facilities and services in Belize City; some observers cite the new Carnival pier complex, slated for completion in 2007, as a further positive development. Upcoming renovation and repainting of some of Belize City's streets, sponsored by the Florida-Caribbean Cruise Association (FCCA), may also be attributed to the cruise industry. Cruise tourism in Belize has also succeeded in offering passengers a wide variety of tours and excursions based on Belize's natural and cultural/historical attractions. In addition, the Policy's requirement that cruise ships shut down their onboard entertainment activities while in port appears to have helped increase the percentage of passengers coming ashore. Belize has the highest percentage of passengers disembarking—85%⁴—in the entire Caribbean region, and the level of visitor satisfaction with Belize is, passenger surveys found, rather high (Table 3.8). Importantly, Belize is not marketed as a duty-free shopping destination; cruise passengers spend comparatively little overall at the Tourism Village's duty-free shops and they rate it low on the list of preferred activities. Since sales of imported goods put little into the local economy, it can be considered positive that in Belize, in contrast with many other Caribbean ports of call, duty-free shopping has not been a significant activity. Instead, large numbers of cruise passengers shop for local products and souvenirs as well as purchase local excursions.⁵

However, despite these positive developments, Belize falls behind other ports of call in a number of ways and there are a range of concerns about the impacts of cruise tourism, its benefits compared with stayover tourism, and expansion plans which include accommodating more ships and more duty-free shopping. Particularly significant are differences in amount of money cruise passengers and stayover tourists spend locally, both per day and per visit. The average cruise passenger spends \$44 per day that goes into the local economy (another fraction returns to the cruise company), while the average stayover visitor spends \$96 per day, or more than twice as much. Per visit, stayover visitors spend on average 6.8 days in Belize, which translates into an average of \$653, or over 14 times more than the average cruise passenger. In this regard, Belize is not unique: studies in Dominica, Costa Rica and Honduras have found roughly similar differences in spending patterns between cruise passengers and stayover visitors.⁶ Yet

4 Anthony Mahler, BTB Product Development Officer. Personal communication, , July 21, 2006.

5 In contrast, Belize has the region's lowest disembarkation of crew members, in part because there is little duty-free shopping or other port area attractions for crew and because the use of tenders makes it time consuming and costly for crews to disembark.

6 In 2003, cruise tourism to Dominica contributed 15% and stayover 85% of total tourism expenditures, even though 2.4 times more cruise passengers (177,000) arrived than stayover visitors (74,388). DM Russell Consulting Inc. "Dominica: Working Draft Tourism 2010 Policy Report." (August 2004). Prepared for the National Development Corporation. 3, 40-41, 55;

In Costa Rica, passenger spending is US \$55 per visit, while in Honduras it is US \$63.77. In Honduras, CESD's study found that stayover tourism produced 24 times as much income for the country than cruise ship tourism. CESD, "Elementos de política para un turismo de cruceros sostenible en Centroamérica," draft, August 7, 2006, p. 2.

in Belize cruise passenger spending is particularly low—57% below the Caribbean average.⁷

This study has also found that some official policies have not been followed, either in fact or in spirit; and a number of objectives have proven unrealistic. The ceiling on the number of passengers permitted to disembark per day has been continually revised upwards and, despite the official limits, there are continuing reports that hundreds of cruise passengers have gone en masse to reefs, parks, or archeological sites; tour groups of 50 or more have been handled by a single guide. There has been no scientific systematic monitoring of tourism impacts on protected areas and there are now indications of environmental damage, especially to the marine park. And the problems are likely to get worse if current plans are fulfilled for more and bigger ships, some capable of carrying 6000 each and new docking facilities capable of accommodating four ships at a time. If, however, arrival numbers continue to decline (as they are projected to do through at least 2007), this could mean some expansion plans are halted and Belize would have an opportunity to reassess its cruise tourism policies. At the same time, some Belizeans who have invested in cruise tourism based on an expanding market, are likely to be financially hurt as numbers decline.

Further, the tendency of cruise operators is to consolidate, through vertical integration, their control of shore-side businesses and to maximize spending onboard through controlling shore visits and expanding onboard offerings. There is, therefore, an inherent tension between the objectives of the cruise industry and those of Belize and other host countries. In addition, despite nearly everyone's hopes and the introduction of promotional coupons offering discounts to cruise passengers who revisit Belize, this study found that by 2005 only a small number of cruise passengers return to Belize for longer, stayover holidays. It is important to continue to track, via airport and cruise passenger surveys, to see if Belize's coupon campaign and other initiatives are helping to attract cruise passengers back for stayover holidays.

Over the last five years, the cruise industry has successfully lobbied the Belize government to reduce the passenger head tax, cut or eliminate other taxes and duties, privatize cruise piers, and ignore ceilings on visitors/day and on size of tours. "Preferred" tour operators that sell their tours directly to the cruise lines must agree to sizeable mark-ups (typically over 100%) of their products and services, while over 50% of the head tax returns go to the Tourism Village owned by Royal Caribbean and Diamonds International. The study shows (a) that the use of the head tax to underwrite the private Tourism Village and (b) that plans to provide tax breaks and head tax subsidies to the new Carnival pier complex both diminish substantially the public revenues that could flow to Belize from the cruise sector. While more than 3.5 cruise passengers arrived per stayover visitor in 2005, cruise tourism generated only 17.5% of the total tourism revenue (including spending on excursions, food, souvenirs, etc., plus taxes and fees). Cruise tourism generated \$30.6 million in 2005 compared to \$144.1 million for stayover tourism⁸. We believe that these findings and others must be factored into the search for balance in Belize between cruise tourism and ecotourism.

7 Belize Tourism Board. Belize Tourism Policy. (March 2005). p. 7.

8 BTB, 2006. Tourist Arrivals, 1998-2004, personal communication from Raymond Mossiah, BTB staff, (April 4, 2006).

BTB. Belize Tourism Statistics, Retrieved July 12, 2006 from www.belizetourism.org/revenues.html

This study found other important differences between cruise and stayover passengers which, we believe, have significance as Belize plans for its National Tourism Strategy. The stayover market has proved less volatile, rising slowly but steadily since the late 1990s, while the cruise sector has both grown faster and proved more volatile to man-made and natural disasters. Nearly all cruise passengers (99%) are from North America (96% are US citizens), making this type of tourism heavily dependant on the political and economic well-being of the United States, while the stayover sector is more diverse, with about 38% coming from countries other than the US. Spending by cruise visitors is heavily concentrated in the vicinity of the port and Belize City, while stayover tourism is spread much more widely throughout the country and therefore provides wider benefits. In terms of employment, in 2004, it was estimated that only 10% of jobs in the tourism industry were a result of cruise tourism, while 90% were in the stayover tourism sector.⁹ Stayover visitors conduct their activities in smaller groups, are said to be more interested in and respectful of Belize's natural, cultural, and archeological offerings and are viewed as having less negative environmental and social impact. In contrast, cruise passenger groups of 50 per guide are common, and sometimes hundreds of cruise passengers visit the same site at the same time. Finally, the stayover industry is viewed as more deeply committed to Belize, contributing in a wide variety of ways to the country's well-being, and stayover visitors are much more likely to return to Belize and to recommend the country to friends and colleagues.

Based on these and related findings, CESD proposes four broad policy recommendations, and a series of specific reforms to Belize's cruise policy. These are:

1. Improve the social, environmental and economic value of cruise tourism to Belize. We recommend that the government of Belize enter into negotiations with the cruise lines to modify their existing operations to deliver greater benefits. We suggest offering a united, cohesive, and transparent package, nationally discussed and endorsed by the local tourism industry, NGOs, protected area managers, and other key stakeholders, and, if possible, in unison with other countries in Central America. Given the strength of the cruise conglomerates, only this unified approach can permit Belize to ensure a beneficial set of conditions for government, communities, and its private sector. Some specific recommendations as components of a broad national negotiating position include increasing the head tax, reexamining the fee structure of commissions paid to the cruise companies by local businesses, creating a more equitable and transparent system for licensing "preferred" companies and vendors, creating a community development fund supported by cruise line and passenger donations, and developing a similar fund for environmental conservation and monitoring.

2. Invest public funds in accordance with public benefit. The passenger head tax is widely recognized as a tax the cruise industry pays to host countries and therefore these funds should be used to manage and improve public sites and protected areas and to further improve infrastructure. At present US \$4 of the US \$7 head tax goes to

⁹Espat, M. (2004, Sept. 29). Keynote address. Given at Cruise Tourism Impact Forum, Radisson Fort George, Belize City, Belize. Retrieved on June 11, 2006 from www.btia.org/news_industry_detail.pho?release_id=93

the privately owned Tourism Village. Belize should examine whether there is potential to renegotiate the terms of both the Tourism Village and the Carnival pier contracts. The goal should be to refrain from offering a portion of the head tax to finance any privately owned infrastructure or business projects of the cruise industry or other private entrepreneurs. Alternatively, additional passenger or cruise line fees should support environmental monitoring, conservation, and social development.

3. Mitigate negative environmental and social impacts and damage to national tourism assets. Despite the positive contributions of cruise tourism summarized above, there are a number of negative impacts from the cruise industry that must be mitigated. First, large groups of cruise passengers are now using the same sites and attractions, during the same peak seasons, as stayover tourists. As we found, there are widespread complaints that this demand is deteriorating the infrastructure and quality of the ecotourism experience. In order to protect Belize's extremely important stayover market, we recommend separating cruise and stayover visitors by designating certain sites for cruise tourism and by further improving the infrastructure and offerings in and around Belize City. We suggest that cruise passengers be routed to appropriate high-volume terrestrial attractions near the City, and not offered excursions to Belize's most pristine and valuable eco-systems and cultural sites in the interior, which should continue to be protected for stayover ecotourism. Second, even at sites deemed appropriate for cruise passenger visits, Belize should establish and adhere to realistic carrying capacity numbers for visitation. Third, while only indirectly studied in our investigation, we also recommend setting and adhering to clear policies about off-loading waste from cruise liners.

4. Strengthen the country's core assets and international tourism reputation. Belize has earned an international reputation for its outstanding coral reef, national parks, archeological sites and small hotels catering to a discriminating and high-value ecotourism clientele. This study confirms the overall importance of such ecotourism to the tourism sector of the Belizean economy, and calls for a parallel detailed study of this subsector to better understand non-cruise tourists' needs and activities. Such a study would be timely both to strengthen Belize's tourism mainstay, and to assess and contain any erosion that cruise tourism may have caused Belize's international tourism reputation. Meanwhile, asset strengthening is also appropriate for the cruise sector itself. Belize can better showcase its culture, climate, and character, by offering cruise passengers more variety and higher quality handicrafts and souvenirs (rather than expanding duty-free shops), by expanding offerings of local cuisine, and by developing new products in or near Belize City. Such products may include spas and hotels offering massages, yoga, mineral baths; dance and language (local dialect) lessons; or, for example, tours of organic coffee and other farms. By late 2006, we are pleased to note that initiatives in some of these areas were in place or in development, but more can be done. Finally, we note that there is currently no on-going, scientific monitoring of tourist attractions and protected areas used for cruise tourism in Belize, despite reports that damage is being done. If national assets are to be used for cruise tourism, logically cruise revenues should also contribute to their maintenance. We urge the

establishment of an active monitoring system of attractions and protected areas using a small fraction of revenues from cruise tourism.

CESD hopes that this study will help the Belize government, tourism industry associations and businesses, host communities, NGOs, and managers of parks, protected areas, and other tourism sites to be better equipped to formulate economically, environmentally and socially sustainable strategies and policies that may result in an optimal blend of cruise tourism and stayover tourism. We hope the findings will help inform discussions in Belize around a new Tourism Master Plan as well as become part of regional discussions around how governments and other stakeholders can develop common policies for better managing the balance of cruise and ecotourism.

Table A: Comparison of Cruise and Stayover Sectors

Topics	Cruise Sector	Stayover Sector
Arrivals (2005)	800,331	236,573
Country of Origin	96% from U.S.	Almost 40% from countries other than the U.S.
Market stability	2000-2005: 14 fold increase 2005-2007: significant decline	Gradual increase: 4% - 8%/year
Passenger Spending/day	US \$44/day	US \$96/day
Passenger Spending/visit	US \$44/visit (average 8 hours)	US \$653/visit (average of 6.8 days)
Taxes	US \$ 7/passenger	US \$36.25 airport exit tax; 9% hotel tax
Total Passenger spending in local economy	US \$30.6 million	US \$144.1 million
(BTB, 2005)		
Employment ¹⁰	1/10 tourism jobs	9/10 tourism jobs

¹⁰ Minister of Tourism Mark Espat gave this figure at the 2004 Cruise Tourism Impact Forum, however, BTB official Anthony Mahler said in August 2006 that total employment by Belize's tourism industry is about 13,000, there is no accurate breakdown of the number working for cruise tourism and for stayover tourism. A sizeable number of Belizean work in both sectors.

FOREWORD

The recent rapid growth of cruise tourism in the Americas presents both opportunities and challenges for the host countries of the region. Cruises now rival, and, in some places surpass, stayover tourism of both the traditional sun-and-sand resort variety and the small-scale ecotourism forms. The acceleration of the cruise market is producing a range of reactions among tourism industry and government officials, NGOs,¹¹ protected area managers, development agencies, and local communities throughout the Caribbean and Central America.

On the one hand, cruise tourism has brought new revenue, more employment, and improved infrastructure, particularly to port cities. On the other hand, the size and scale of cruise ships, their resource consumption, waste generation, and volume of visitors has produced increasingly visible impacts on the region, highlighting the need for much firmer controls and regulations. Governments welcome the increased revenue and jobs that cruise tourism generates, but are also concerned about negotiating the best contracts and balancing the numbers and needs of cruise and stayover visitors. While some businesses vie for a piece of the cruise tourism pie, others opt out or are shut out of the cruise economy. Environmentalists are worried about errant dumping of cruise wastes and visitor impacts on parks, preserves, and biodiversity. Local communities are interested in improving their livelihoods and their attractiveness to future tourists. All sectors are vitally interested in measuring and weighing the comparative advantages of land-based resort tourism, ecotourism, and the new growth in cruise tourism. According to the World Travel and Tourism Council (WTTC), “there is widespread concern within the Caribbean tourism industry that there has been a lack of balance until now between cruise tourism development and that of land-based tourism.”¹²

The Purpose

This study was undertaken to gather concrete data on the economic and, where possible, social and environmental impacts of cruise tourism in Belize, to assess its rapid expansion between 2000 and 2005, and to compare these findings with the stayover tourism sector. We focus specifically on the cruise sector in an effort to provide some of the information that is needed to attain that balance within the tourism industry.

To date, much of the attention in cruise research and policy discussion has focused on wastewater discharges and other shipboard operations. Cruise ships have repeatedly made headlines and been fined for offshore waste disposal in violation of environmental

¹¹ There are a dozen or more NGOs in North America working as watchdogs over cruise ship operations and practices, particularly at sea. For instance, Oceana, Environmental Defense, Save Our Shores, and Bluewater Network have initiated campaigns to highlight the impacts of cruise tourism on the marine environment. In contrast, Conservation International's Center for Environmental Leadership in Business (CELBI) has formed a partnership with ICCL, a cruise industry association, to work together on ways to reform certain practices. CELBI's recent publication, *Ship to Shore: Sustainable Stewardship in Cruise Destinations*, highlights examples of sustainable actions taken by cruise lines in environmental and cultural management. See http://www.celbi.org/ImageCache/CELBI/content/travel_2dleisure/fromshiptoshore_5fpart1_2epdf/v1/fromshiptoshore_5fpart1.pdf.

¹² World Travel and Tourism Council. London, UK (2003). *Blueprint for New Tourism*. Retrieved June 2005 from <http://www.wttc.org/blueprint/WTTCBlueprintFinal.pdf>

laws.¹³ In contrast, there has been little systematic analysis of the economic, environmental, and socio-cultural impacts of cruise tourism on host communities and visitor sites, and on the way that those impacts are perceived locally. While national governments and their tourism agencies are responsible for evaluating the impacts of cruise tourism on the local economy, culture, environment, and general tourism industry, they have often lacked the data needed to make sound policy decisions. In 2004, the Barbados Tourism Minister, Noel Lynch, told 700 delegates attending the annual Caribbean Tourism Conference, “There needs to be an independent study of the impact of cruise tourism and land-based tourism and how they can work together. I believe the jury is still out on what the real impact is from the cruise ships.” He urged “that we have one study collectively commissioned together to get rid of these myths.”¹⁴

This research reported here—conducted by respected institutions, using independent researchers and a routine academic methodology—is a step in that direction. It is designed to provide independent data and analysis of the economic, environmental, and socio-cultural impacts of cruise tourism in Belize, with particular focus on the port and visitor sites. Specifically, this study was designed in order to:

- Provide BTB and PACT with data to help assess the economic, environmental and social impacts of cruise tourism.
- Help inform public discussions and debates among NGOs, tourism businesses, academics, local communities, visitor site managers, and other stakeholders in Belize.
- Compare expenditures, activities and preferences between cruise and stayover, tourism sectors.
- Provide policy suggestions and recommendations as BTB enters the planning stage for a new Tourism Master Plan.
- Provide field data, analysis, and policy recommendations for a larger, multi-country study by CESD and INCAE of the impacts of cruise tourism on host communities and visitor sites.

Methodology

Beginning in 2005, the Center on Ecotourism and Sustainable Development (CESD), in collaboration with the Costa Rican business school, INCAE, embarked on a multi-location study of the land-based effects of cruise tourism in Central America and the Caribbean. In crafting the scope of the study and the survey instruments, we drew upon a 2004 pilot cruise tourism study carried out by INCAE in Costa Rica, recent tourism studies by Canadian consultant David Russell in Belize, Dominica, and Grenada, and Environmental Defense’s work in the Yucatan, under the direction of Ken Lindeman.

13 Wood, R.E. (2004). Global Currents: Cruise ships in the Caribbean Sea. In D.T. Duval (Ed), *Tourism in the Caribbean: Trends, Development, Prospects*. London, UK. Routledge Press.

Prospects, ed. David Timothy Duval (London: Routledge, 2004) .

14 Barbados Tourism Minister Calls for Independent Study on Impact of Cruise and Land Based Tourism. (2004, Oct 4). Retrieved June 22, 2006 from www.onecaribbean.org/information/documentview.php?rowid=2822

The cruise tourist survey instrument consisted of a structured passenger questionnaire that was pre-tested in Costa Rica, adapted for Belize, and then implemented in and around Belize City. In addition, a series of structured questionnaires was developed by CESD and INCAE for interviewing key cruise tourism stakeholders in Belize. Stakeholders were identified via purposive sampling, in which important key respondents and populations of stakeholders are identified and interviewed. All field surveys and interviews complied with Stanford University's Human Subjects Research protocols for conducting investigations involving living subjects. The regulations are intended to protect subjects' confidentiality and minimize risks to the subjects due to participation in the study.¹⁵

From July through August of 2005 field research was carried out in Belize, Grenada, and Mexico's Costa Maya in an attempt to assess the economic, environmental, and socio-cultural impacts of cruise ship tourism.¹⁶ CESD and INCAE faculty and staff trained the three research teams at INCAE on proper data collection techniques and supervised data collection and analysis. The research team in Belize worked under the director of the Belize Tourism Board. Between October 2005 and June 2006, CESD and INCAE undertook similar field research in Costa Rica and Honduras, with the goal of collecting a comparable assessment of cruise tourism impacts.

The research design in Belize included a mix of quantitative and qualitative interviews with various stakeholders regarding the impacts of cruise tourism. Economic impacts are the easiest to measure and therefore comprised the bulk of the quantitative research. Economic issues were examined by tracking expenditures of disembarking passengers and detailing the effects of direct and indirect impacts on port communities and port authorities. In order to allow for detailed analysis, more than 500 passenger survey responses were required. (It proved impossible to obtain a large sample of crew members because few disembark in Belize.) Results from the passenger surveys were compared with airport exit surveys of departing stayover tourists (Visitor Expenditure and Motivation Survey or VEMS) conducted by the BTB and Central Bank of Belize in 2003. We used these two surveys to analyze a range of preferences, spending patterns, and impacts of cruise passengers and stayover tourists.

On the qualitative side, the researchers conducted interviews with smaller samples of local informants on various economic, environmental and socio-cultural issues: passengers' onshore tourism preferences and purchases, their experiences in and impact on protected areas and cultural/historic sites, their experiences in and impact on marine and coastal ecosystems, and so on. As part of this effort, researchers examined constraints imposed by cruise passengers' short onshore visits and how these time constraints shaped their activities and spending patterns.

The following surveys and interviews were conducted in Belize during July and August of 2005 and form the basis of the analysis in this report (Table B).

¹⁵ For more information on Human Subjects Research, please see the website: <http://humansubjects.stanford.edu>.

¹⁶ These other studies were less successful than originally conceived in interviewing cruise passengers. In Grenada, large cruise ships were not arriving during the months of the field study, so the research team concentrated on interviews with a wide cross section of the Grenada population, as well as with crews and passengers from yachts and smaller cruises. In the southern Yucatan, researchers were hampered because the owners of the private cruise pier at Costa Maya would not grant them access to the passengers. They therefore concentrated on interviews in the town of Mahajual.

Table B: Stakeholders Interviewed in Belize

Stakeholders	N*
Cruise Ship Passengers	609
Cruise Ship Employees	11
Belize Government Officials	4
Port Authorities	4
Local Businesses	43
Farmers and Fishermen	16
Protected Areas and Mayan Archaeological Sites	11
Stayover Lodges	19
Tourism Sector Organizations	4
<i>Total</i>	<i>721</i>

*N signifies the number of respondents

For comparison with our field data, general profiles of tourists and tourism in Belize were collected from the published literature (including NGO studies, government reports and destination site reports). Additional information was compiled in the CESD offices in Washington, DC and at Stanford University on the political and economic history of cruise tourism, the history of tourism in Belize and the Caribbean, national tourism policy, cruise impacts, and environmental and scientific studies of various marine and terrestrial visitor sites. In addition, researchers collected the latest statistics on tourism growth, passenger spending (by both cruise and stayover guests), departure taxes, cruise head taxes, and other fees. As shown below, these aggregate measures provide valuable perspectives on the data collected specifically for this study.



1. BACKGROUND

Caribbean Cruise Tourism

In the Caribbean, one of the most tourism-intensive regions of the world, tourism is a major source of income for most countries. Within that sector, cruise tourism has recently re-emerged as one of the most dynamic components, having benefited from both the depreciation of the U.S. dollar and the region's image as a travel destination still safe from terrorism. Following 9/11, many cruise lines pulled their voyages out of the Mediterranean, placed them closer to their home ports of Ft. Lauderdale or Miami,¹⁷ increased and diversified marketing campaigns and offered discounts to attract a wider clientele. Cruise tourism is expanding at a time when the traditional staple of Caribbean tourism—namely sun-and-sand resort tourism—appears to be losing its luster. According to the United Nations' World Tourism Organization (UNWTO), sun-and-sand resort tourism has now “matured as a market” and its growth is projected to remain flat.¹⁸

At the same time, cruise tourism is moving aggressively into locations in the Caribbean (Dominica, Grenada) and Central America (Belize, Costa Rica, Honduras) where small-scale nature-based tourism—ecotourism—and small-scale “pocket” cruises and yachts have so far defined the country's image. In the Caribbean, the total number of cruise ship passenger and stayover arrivals is currently about equal—some 15 million each—and the markets for both are dynamic and growing. The UNWTO ranks “experiential” tourism—which encompasses ecotourism, nature, heritage, cultural and soft adventure tourism, as well as sub-sectors such as rural and community tourism—as among the sectors expected to grow most quickly over the next two decades. It also predicts that cruise tourism will continue to be one of the top products worldwide.¹⁹ The UNWTO's January 2006 *World Tourism Barometer* reported that “the cruise sector shows a continued robust performance.”²⁰

About 50% of the global cruise market operates in the Caribbean, and over the past decade, cruise tourism in the region has generally grown faster than land-based tourism.²¹ Not only has Caribbean cruise travel's image as a safe and secure holiday risen in the post-9/11 era, but according to the World Travel and Tourism Council (WTTC), the cruise industry's tax-free status and its “token” port charges have supported its rapid development. (In contrast, the WTTC found that stayover tourists continue to pay “significant” departure taxes.)²² The number of cruise passengers globally has more than doubled since 1990. Ship size has grown exponentially, and the industry has consolidated so that today three lines—Carnival, Royal Caribbean, and Norwegian—control 90% of the North American market and account for almost 75% of

17 Mahler, A. (2003, May). Belize Draft Cruise Ship Policy Document. Proceedings of the 1st National Coastal Symposium, Belize, sponsored by the Coastal Zone Management Authority and Institute in Belize City: Best Western Belize Biltmore Plaza. 9.

18 World Tourism Organization (2001). Global Forecasts and Profiles of Market Segments. *Tourism 2020 Vision*, 7.

19 World Tourism Organization (2001). Global Forecasts and Profiles of Market Segments. *Tourism 2020 Vision*, 7.

20 WTO. *World Tourism Barometer*. (2006, Jan).4(1), 3.

21 World Travel and Tourism Council (WTTC). (June 2004). *The Caribbean: The Impact of Travel and Tourism on Jobs and the Economy*.

22 World Travel and Tourism Council (WTTC). (June 2004). *The Caribbean: The Impact of Travel and Tourism on Jobs and the Economy*.

total capacity deployed in the Caribbean.²³ Between 2004 and 2009, 21 new liners will be launched. These newer ships will accommodate, on average, 3,000 passengers and 1,000 crew. This represents dramatic growth from earlier cruise liners that had capacities for only 500 to 800 passengers.²⁴ Large ships are also likely to lead to increased levels of “bunching”—with port congestion on some days and little business on others—so that facilities are not utilized as well as they could be.

The WTTC study also noted a concern among Caribbean countries that there is a lack of balance between cruise tourism development and the older, well established land-based, stayover tourism. The study found that despite its impressive arrival numbers, the economic contribution of cruise tourism is “negligible,” accounting for only 8% to 10% of total international tourism receipts; 90% or more still comes from stayover tourism. The study concludes that Caribbean authorities, both public and private, should develop a unified regional cruise tourism strategy to address multiple concerns including cruise passenger fees (i.e., head tax), port operations, carrying capacity, and infrastructure development.²⁵

Most of these trends and concerns are playing out in Belize, a country that uniquely carries both a Caribbean and a Central American identity. The extraordinarily rapid growth of cruise arrivals in Belize between 2000 and 2004 yielded benefits in terms of revenue and job creation, but it also presented enormous challenges and scant time for reflection and readjustment. The government and private sector responded to the new demand with heavy investment into cruise tourism and plans for future expansions. Today, as Belizean experts perceive that cruise tourism likely peaked in 2004 and is now in decline, new strategies and policies are required.

Cruise vs. Stayover Tourism in Belize

Belize is a prime example of a country that is trying to protect its international reputation for ecotourism in the wake of the rapid rise of mass market cruise tourism. Encompassing 22,966 square kilometers—386 of which are coastline—Belize is best known as a nature-based tourist destination. Its spectacular coral reefs, white beaches, dense rainforests and Mayan archeological sites attract visitors from all over the world. Marketed as “Mother Nature’s Best Kept Secret”,²⁶ Belize was a relatively unknown tourist destination until 20 years ago. Today, over 41% of all land in Belize is protected under an extensive network of national parks, preserves, sanctuaries and archaeological sites, such as the Caye Caulker Marine Reserve, Hol Chan Marine Reserve, Half Moon Caye, Crooked Tree Wildlife Sanctuary, Cockscomb Wildlife Sanctuary, Altun Ha, and Lamanai. These areas offer tourists numerous natural, cultural and adventure opportunities. For these reasons, Belize is regarded as a showcase site of ecotourism. A 1998 policy report on tourism in Belize—the so-called Blackstone

23 Carnival Corporation is the largest cruise business in the world. Carnival acts as an umbrella corporation that owns 12 other cruise operations including Princess Cruises.; Carnival Corporation; Carnival Corporation & Plc Revises 2006 Outlook. (2006, May 16). Newswire Europe Ltd. Retrieved through Lexis Nexis Academic on June 22, 2006; WTTC, *The Caribbean* (2004).

24 Mintel International Group. (2005) *Cruise Market Report*. Retrieved through Lexis Nexis Academic on June 22, 2006.

25 WTTC, *The Caribbean* (2004).

26 Belize Tourism Board. Retrieved July 2, 2006 from <http://www.belize tourism.org>

Report—stated that Belize “offers a combination of attractions that are ideally suited to the most sought-after and affluent segment of the growing natural heritage/ecotourism marketplace, as well as to specific markets like archaeology buffs and divers.”²⁷ In 2001, Director of Tourism Tracy Taegar called Belize an “English-speaking ecotourism Mecca,”²⁸ and the same year the Rough Guide advertised, “Belize is gaining recognition as the most conservation-conscious country in the Americas.”²⁹



Examples of nature-based tourism in Belize. Courtesy of the Belize Tourism Board.

Yet the picture was on the cusp of rapidly changing. The Blackstone report and other observers did not foresee that Belize was about to experience an extraordinary growth of cruise tourism. In 2003, the WTTTC reported that Belize had become “the fastest growing cruise destination in recent years.”³⁰ By 2004, Belize ranked 1st in growth rate and 8th in total highest annual cruise arrival rates in the Caribbean and Central America; it also ranked only 22nd in stayover tourism arrivals, according to the United Nations World Tourism Organization. In contrast with nature-based, stayover tourism, which has grown since the 1980s, cruise tourism has had a very short but influential history in Belize.

The first cruise ship reached the shores of Belize just fifteen years ago. Polaris, a small European ship, carried just 90 passengers, each of whom paid a US \$20 disembarkation tax. This “head tax” was subsequently reduced to US \$10, still a relatively high amount for Caribbean ports of call. This tax, combined with Belize’s undeveloped cruise infrastructure and lack of organized tours and attractions, limited the industry’s growth over the next few years. During these early years, ships docked at the Radisson Fort George commercial pier, a location not conducive to large numbers of people or to cruise-related activities.

The cruise industry, however, saw potential and kept up the pressure. In 1998, cruise sector lobbying succeeded in getting the head tax cut in half once again, to US \$5 (BZ \$10). That year, the first relatively large cruise ship, owned by Premier Cruise Lines, arrived with 750 passengers. Norwegian Cruise Lines entered the market shortly

27 Blackstone Corporation and Resource Management & Tourism Consultants. (1998). A Tourism Strategy Plan for Belize. Prepared for the Ministry of Tourism and the Environment. 5.

28 Belize Tourism Industry Association. (2001). Destination Belize: The Official Guide to Belize. Florida, USA: Ulrich Communications Corporation.

29 Eltringham, P. (2001). The Rough Guide to Belize. (2nd ed.). London, UK: Rough Guides. 276.

30 World Travel and Tourism Council (WTTTC). (June, 2004). The Caribbean: The Impact of Travel and Tourism on Jobs and the Economy. , 22.

thereafter, followed by Carnival and Royal Caribbean. With the construction of the Fort Street Tourism Village in 2002 (described below), the head tax was divided so that US \$4 (BZ \$8) went to the owners of the Tourism Village, and US \$1 (BZ \$2) went to the Protected Areas Conservation Trust (PACT) to support conservation.



Major tourist attractions in Belize.³¹

According to former Tourism Minister Mark Espat, until 1999, “cruise tourism was an insignificant sub-sector to what is now popularly called overnight tourism.”³² Since then, cruise arrival numbers have increased dramatically (Table 1.1). By 2002, the number of

31 Belize Map . (n.d.). Retrieved March 27th, 2006 from Maruba Resort Jungle Spa Web site: <http://www.maruba-spa.com/fact-sheet.shtml>

32 Espat, M. (2004, Sept. 29). Keynote address. Given at Cruise Tourism Impact Forum, Radisson Fort George, Belize City, Belize. Retrieved on June 11, 2006 from www.btia.org/news_industry_detail.php?release_id=93

cruise tourists exceeded stayover tourists. In 2004, over 850,000 cruise passengers made up 78.7% of all visitors to Belize—a 25-fold increase since 1999. However, there have been fluctuations. In 2001, numbers declined slightly when Premier Cruise Line, which had been coming to Belize year-round, went bankrupt and pulled out their ships.³³ In 2005, despite expectations of reaching more than 1 million cruise passenger arrivals, numbers declined by 6% that year due to the frequency and intensity of hurricanes (e.g., Katrina, Rita, Wilma, Dennis and Emily), which caused cruise ships to alter their itineraries.³⁴ Again, in 2006, numbers are far lower than had been anticipated (down 20% for the first quarter and 29% for the second), and they are projected to fall further in 2007. By mid-2006, the BTB was forecasting that Belize’s cruise tourism had reached its peak in 2004.³⁵ In contrast, stayover tourism has grown steadily but gradually, at an average of about 8% per year since 1998, according to former Minister Espot, despite “all the challenges of hurricanes, 9/11, recession and war.”³⁶ Yet there appears to be reason for concern here as well. According to 2006 United Nations World Tourism Organization (UNWTO) figures, Belize had the lowest growth rate in stayover tourism arrivals in 2004 and 2005 of any Central American country. Stayover arrivals grew by 4.7% and 2.5% in 2004 and 2005, compared to regional averages of 17.6% and 14.4% respectively.³⁷ Cruise passenger arrivals, on the other hand, grew by 48% and fell 6% over the same years.

Table 1.1: Stayover and Cruise Ship Arrivals to Belize, 1998 – 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Stayover Tourist Arrivals	176,054	180,795	195,766	195,955	199,521	220,574	230,832	236,573
Cruise Ship Tourist Arrivals	14,183	34,130	58,131	48,116	319,690	575,196	851,436	800,331
Cruise Ship % of Arrivals	7.5%	15.9%	22.9%	19.7%	61.6%	72.3%	78.7%	77.2%
Total Arrivals	190,237	214,925	253,897	244,071	519,211	795,770	1,082,268	1,036,904

Source: BTB. (2006). Tourist Arrivals, 1998-2004, email from Raymond Mossiah, April 4, 2006; Belize Tourism Statistics, Retrieved on July 12, 2006 from www.belizetourism.org/arrival.html.

Typically Carnival, Royal Caribbean, and Norwegian cruise ships call in Belize during a seven-day Western Caribbean itinerary, which begins in Ft. Lauderdale or Miami, FL or

33 Premier Cruise Line. Wikipedia. Retrieved July 2, 2006 from http://en.wikipedia.org/wiki/Premier_Cruise_Line; Mahler, A. (2003, May). Belize Draft Cruise Ship Policy Document. Proceedings of the 1st National Coastal Symposium, Belize, sponsored by the Coastal Zone Management Authority and Institute in Belize City: Best Western Belize Biltmore Plaza, 9.

34 Belize Tourism Board. (2005). Tourism Statistics for the Third Quarter – July through September 2005. Retrieved Dec. 1, 2005 from www.belizetourism.org/press/375.htm

35 BTB, “Cruise Ship Arrivals to Belize: 1998-2006,” obtained by CESD in August 2006; Personal communication from Anthony Mahler and Raymond Mossiah, Belize City, August 2006.

36 Hon. Espot, M. (2004, Sept. 29). Keynote address.

37 UNWTO (January, 2006). World Tourism Baramoter, Vol. 4, No. 1, p. 23.

New Orleans, LA. Other stops may include Key West, FL; Grand Cayman; Ocho Rios, Jamaica; and Cozumel or Playa del Carmen, Mexico. In recent years, cruise lines have added “exotic” new ports such as Belize City to appeal to more experienced cruise passengers who have already visited the standard Caribbean ports of call. In addition, Celebrity’s Galaxy offers an unusual 10-day itinerary leaving from Baltimore, MD that includes Belize. Smaller (100 passenger) ships from American Canadian Caribbean Line make stops in Belize during the winter. The big three lines, however, dominate the market.

Cruise ship arrivals are not evenly divided throughout the year or the week. Cruise ships arrive most frequently during the peak tourism season from November through April, sometimes bringing over twice as many monthly visitors as in other months (Table 1.2). In 2002, for instance, when cruise passenger numbers jumped six-fold, to nearly 320,000, most arrived on Wednesdays.³⁸ Currently, multiple cruise ships—each carrying over 2,000 guests—may be seen docking on any given day. In 2004, Belize received 399 port calls from Carnival, Royal Caribbean and Norwegian, while in 2005, the total dropped slightly to 370 arrivals (Tables 1.3a and 1.3b). There have been complaints that five ships have arrived on the same day, but according to Anthony Mahler, Belize authorities “are trying to work on spreading them out throughout the entire week.”³⁹ As discussed below, this uneven distribution puts added burdens on the country’s attractions, services and infrastructure.

Table 1.2: Monthly Cruise Tourist Visits to Belize, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
Jan	0	2,926	10,485	4,653	18,448	56,689	94,861	94,774
Feb	1,779	3,579	11,665	7,584	19,056	48,172	87,532	96,667
Mar	975	3,725	13,271	8,648	21,822	54,151	89,807	122,802
Apr	692	5,526	6,695	3,517	23,989	46,401	72,260	73,327
May	0	2,489	4,750	0	22,973	24,413	50,642	48,013
Jun	167	0	899	0	17,473	33,623	57,160	55,432
Jul	83	0	0	0	20,502	30,602	56,794	33,140
Aug	0	0	0	0	16,072	38,809	57,018	48,518
Sep	100	0	0	0	23,095	31,430	45,132	32,554
Oct	873	2,302	696	0	33,810	47,356	58,961	23,481
Nov	2,387	2,145	3,648	8,548	46,377	70,377	77,579	73,175
Dec	7,127	11,438	6,022	15,166	56,073	93,173	103,690	98,448
Totals	14,183	34,130	58,131	48,116	319,690	575,196	851,436	800,331

Source: BTB. (2006). Tourist Arrivals, 1998-2004, email from Raymond Mossiah, April 4, 2006; Belize Tourism Statistics. Retrieved on July 12, 2006 from www.belizetourism.org/arrival.html

38 Mahler, A. (May 2003). Belize Draft Cruise Ship Policy Document. Proceedings of the 1st National Coastal Symposium, Belize, sponsored by the Coastal Zone Management Authority and Institute in Belize City: Best Western Belize Biltmore Plaza, 9.

39 Mahler, A. (2003, May). Belize Draft Cruise Ship Policy Document, 9.

Table 1.3a: Leading Cruise Line and Passenger Arrivals into Belize, 2004

Cruise Line	Port Calls	Passengers	% of Total Passengers	Average Passengers per Ship
Carnival	188	444,389	52.2	2,364
Royal Caribbean	106	228,753	26.9	2,158
Norwegian	105	175,909	20.7	1,675
Total	399	849,051	99.8	

Source: www.carnival.com, www.royalcaribbean.com, www.norwegiancruises.com

Note: Ships from other companies bring the 2004 total to 406 port calls.

Table 1.3b: Leading Cruise Line and Passenger Arrivals into Belize, 2005

Cruise Line	Port Calls	Passengers	% of Total Passengers	Average Passengers per Ship
Carnival	200	484,090	60.3	2,549
Royal Caribbean	67	167,983	21.0	2,780
Norwegian	79	148,340	18.6	2,250
Total	370	800,331	99.9	

Source: www.carnival.com, www.royalcaribbean.com, www.norwegiancruises.com (accessed June 20, 2006).

Tourism Village

Belize does not as yet have a pier that can accommodate cruise ships, although agreements for two docking facilities around Belize City have been signed and others are being discussed for elsewhere in the country. At present ships anchor offshore of Belize City and passengers are brought ashore via regularly scheduled tenders arranged by local agents for the cruise lines.⁴⁰ Tenders and water taxi rides take about 15 minutes.⁴¹ They arrive at the Fort Street Tourism Village⁴² which by mid-2006 consisted of four terminals and courtyards containing over fifty businesses. These modern, attractive, well-run and safe facilities include souvenir shops, a tattoo parlor, duty-free stores, jewelry shops, restaurants and pharmacies, banks, a car rental agency, and Belizean and Guatemalan arts and crafts, all catering specifically to cruise tourists. As they file off the tenders, passengers are



Coaches prepare to take cruise passengers on day tours

40 The Belize City agent for Carnival is EuroCaribe Shipping Services; for Royal Caribbean, it is Marine and Services, Ltd.; and for Norwegian, it is Caribbean Shipping Associates. Jackie Crespo and Christine Cairns, PowerPoint presentation, Summer Cruise Study Reunion and Workshop, Stanford University, January 21, 2006. See also "Belize: Multi-million-dollar cruise ship port to be built at Port Loyola," BBC Latin America, October 24, 2004.

41 Cruise Solutions Belize Ltd. Technical Information for Port Calls. Retrieved July 3, 2006 from <http://www.shorexbelize.com/operations/interiortop/techinfo.html>

42 It has also been called the Fort Point Tourism Village.

greeted with live entertainment and met by port agents, tour operators, and licensed tour guides.⁴³ Tight and professional operation of the Tourism Village keeps sellers from aggressively hawking their tours and wears and keeps passengers flowing through shops and onto busses.⁴⁴ Tour buses line up at the village compound through a gate to collect passengers for excursions. Those who have not already purchased tours from the cruise line can buy from local tour operators. Those without tours can spend their time in the Tourism Village compound or exploring other parts of Belize City. In compliance with post-9/11 security measures, a fence surrounds the entire village, and security guards allow only contracted vendors and others with valid identifications to enter the premises.



Typically ships arrive in Belize City in the early morning and leave in the late afternoon. Cruise days turn the sleepy, steamy Belize port into a beehive of activity. In preparation, dozens of modern buses drive along Belize City's narrow streets to line up by Memorial Park, taxis queue down side streets, vendors station themselves alongside roads to the Village, and dozens of tenders start plying the waters between the dock and cruise ships.

Tenders ferry passengers to and from shore

In the city streets, hundreds of small vendors materialize, smartly dressed and ready to offer cruise passengers a range of local foods, crafts, clothing, tours and trips, hair braiding and other services. Former Minister of Tourism Espat estimated that on cruise days 1500 jobs are generated when 8000 cruise passengers arrive. He explained that some of these Belizeans do business with both cruise and stayover tourism—"they are fortunate to hold what Wall Street investment advisers would call 'diversified portfolios.'" However, Espat further stated that cruise tourism accounts for only one in ten tourism jobs in Belize.⁴⁵ And there is a pecking order, determined largely by an entrepreneur's financial capacity and divided by those who have badges to enter the Tourism Village. The Village is "anchored" by four or five "preferred" shops owned by big foreign and local companies, including Diamonds International, Loom (a Turkish rug dealer), Memories of Belize, who have each negotiated contracts with the cruise lines to do onboard advertising in return for commissions. A handful of other big Belizean companies not located within the Village, also advertise onboard the cruises, and pay commissions. In addition, a select number of "preferred" tour operators (including Cruise Solutions and Bel-Cruise) also have negotiated contacts with each cruise line and in turn experience 100% mark-ups for their tour services. Dozens of other vendors inside the Village pay from US \$5 to \$6 per square foot for large display areas to US \$400 to

43 Belize Tourism Board. (2006). Retrieved on July 20, 2006 from Belize Tourism Board website, http://www.travelbelize.org/cruise_belize.html

44 Personal visit to Tourism Village, Belize City, August 3, 2006.

45 Hon. Espat, M. (2004, Sept. 29). Keynote address.

\$500 per month for small kiosks. In addition, some 45 tour guides have received official badges allowing them to operate inside the Village.⁴⁶

Although some tour operators sell packages within the Village, the bulk of the cruise ship tours and excursions are handled by a relatively small number of companies including Belize-based Cruise Solutions and Bel-Cruise.⁴⁷ About 60% of disembarking passengers have already purchased tours through shore excursions; only 18.2% of individuals that disembark pay a local onshore operator for their tour experience.⁴⁸



Photos taken of the Fort Street Tourism Village. Courtesy of Christina Cairns.

Public and Private Investment in Cruise Tourism

Until the Tourism Village opened in December 2001, the port area had only one small shopping area located near the Radisson Hotel at the Belize City Memorial Park. On cruise arrival days, local vendors would sell their wares from rented, flea-market-style booths. However, because this ad hoc market was incapable of meeting demand, the government worked with Belizean investor Michael Feinstein to develop a portside tourism village so that cruise ship passengers could experience “a taste of Belize” in a short amount of time.⁴⁹ According to BTB official Anthony Mahler, the Tourism Village “has been a major contributory to the growth of the industry.”⁵⁰ By all accounts, it is one of the best done and best run cruise villages in the region.

Today the Fort Street Tourism Village is the most visible public face of the cruise tourism industry in Belize. Less visible has been the government’s support for this privately owned pier complex. In 2004, the Feinstein Group sold it to Royal Caribbean and Diamonds International, a multinational jewelry retailer, for an estimated US \$18 million. However, the Tourism Village construction and operations have been subsidized with funds from the cruise passenger head tax. As part of a 15-year agreement signed in January 2001 between the BTB and the Tourism Village owners, the government pledged to give US \$4 (BZ \$8) of each head tax to the Tourism Village. Of the US \$5 (BZ \$10) head tax, only a remaining US \$1 went to the government. In January 2005,

⁴⁶ Personal communications with James Nisbet, General Manager, Tourism Village and Anthony Mahler, Belize City, August 1- 3, 2006.

⁴⁸ Personal communications with Anthony Mahler, BTB’s Director of Product Development, August 9, 2006.

⁴⁹ Belize Tourism Board. (2004). Strategic Vision for Belize Tourism in the New Millennium.

⁵⁰ Mahler, A. (May 2003). Belize Draft Cruise Ship Policy Document, 8.

the head tax was raised to US \$7, with US \$3 divided almost equally between PACT to support national conservation and the BTB to support tourism activities (Figure 1.1). The number of cruise passengers who arrived in Belize between September 2001 (when US \$4 payments to the owners of the Tourism Village are said to have started) and the end of 2005 was over 2.5 million. Based on this, it can be estimated that the government has paid the Tourism Village owners (first the Feinstein Group and then Royal Caribbean and Diamonds International) over \$10 million during these years, while the government agencies received only about \$4 million.⁵¹

The government has invested in cruise tourism in other ways as well. According to the 2003 Belize Cruise Ship Policy, between 2000 and 2003 both the government and the private sector “invested significantly in preparation for the growth of cruise tourism,” including the purchase of tenders and buses and the opening of new attractions. This also included an extensive land fill project along the water front to permit better movement of cruise buses and taxis. At present, the Belize government has invested “significantly in improving...major archaeological sites and human resources,” as part of an InterAmerican Development Bank (IDB) funded project.⁵²

51 Personal interviews with BTB, Tourism Village, and tourism industry officials, Belize City, August 1-3, 2006; “Carnival Cruises Given the Green Light!” *Ambergris Today*, Vol. 1, #13, (2004 March 25), Retrieved on August 3, 2006 from <http://www.ambergristoday.com/archives/25-3-04/index.html>

52 BTB, Belize Cruise Ship Policy, (revised 2003), p. 2.

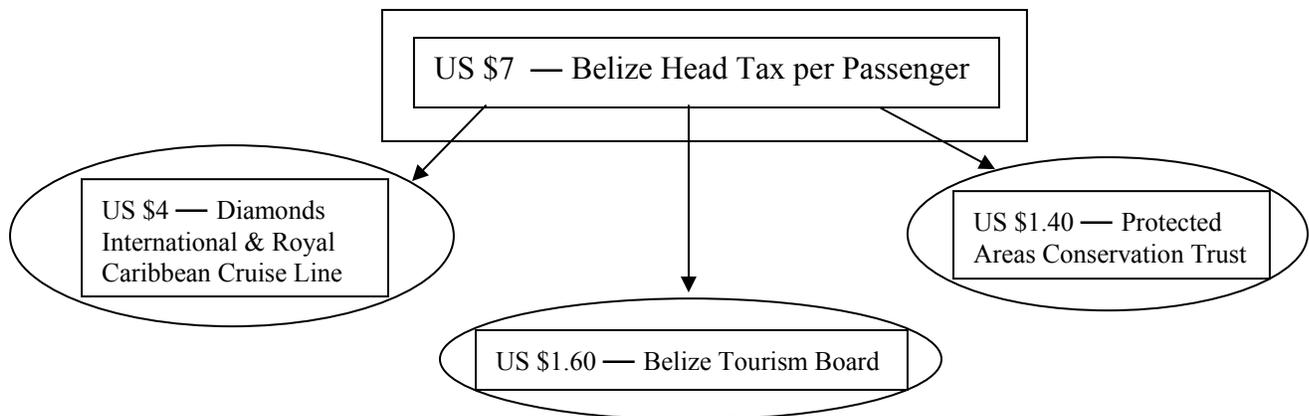


Figure 1.1: Distribution of the US \$7 Belize Head Tax per Cruise Passenger.

The total amount of government investment in the cruise industry has not been publicly disclosed. However, several projects, including the Tourism Village, have generated some press and public debate. When first proposed in the late 1990s, there were accusations from the Belize Tourism Industry Association (BTIA), Water Tax Association, and other tourism industry and conservation organizations that the project was “shrouded in secrecy.”⁵³ The joint purchase of the Tourism Village by Royal Caribbean Cruise Lines and Diamonds International raised concerns about the “vertical integration” of the cruise industry⁵⁴ which could cut out local businesses; while the government’s agreement to give US \$4 of the head tax to the Tourism Village owners raised questions about the wisdom of using this tax to underwrite private commercial facilities rather than public tourism institutions, visitor sites (marine parks, archeological sites, national parks, etc.), or infrastructure (roads, water, etc.). Then, beginning in 2004, public debate erupted around a contentious contract with Carnival Cruise Lines to construct a docking pier whose construction plans would displace many Belizean artisans in favor of mid-to-upscale stores and restaurants marketed toward the typical middle-class cruise tourist.⁵⁵



A Carnival ship near Belize City, August 2006



Construction site for the Carnival Cruise pier

53 BTIA. (March 31, 1998). Tourism Village concept shrouded in secrecy. BTIA press release, Retrieved on July 3, 2006 from <http://www.sanpedrosun.net/old/98-144.html>

54 Hon. Espat, M. (2004, Sept. 29). Keynote address.

55 Dickerson, M. (March 13, 2006). “Buoyant Belize Cruise Trade May Sink Paradise: The fast-growing port is bringing boatloads of traffic that is changing the face of the nation”. Los Angeles Times.



Local Attractions in and around Belize City

- | | |
|--|----------------------|
| 1. Tourism Village | Fort Street |
| 2. Museum of Belize | Gabourel Lane |
| 3. Baron Bliss Lighthouse Monument | Marine Parade |
| 4. House of Culture | Regent Street |
| 5. St. John's Cathedral | Albert Street |
| 6. Image Factory Art Gallery | North Front Street |
| 7. Marine Terminal and Marine Museum | North Front Street |
| 8. National Handicraft Center | #2 S. Park Street |
| 9. National Archives and City Library | North Front Street |
| 10. Bliss Institute for the Performing Arts | Downtown |
| 11. Supreme Court Building | Downtown |
| 12. Swing Bridge | Downtown |
| 13. Commercial Center | Market Square |
| 14. Yaborough Cemetery | Yaborough |
| 15. Marine Parade | North Waterfront |
| 16. Southern Foreshore | South Waterfront |
| 17. Old Belize Cultural and Historic Center and Cucumber Beach | Mile 5, Western Hwy |
| 18. Gran's Farm | Mile 14, Western Hwy |



Map of Belize City port and surrounding attractions. ⁵⁶

56 Belize Tourism Board. Retrieved (n.d.) Cruise Visits. Retrieved on Jan 16, 2006 from http://www.travelbelize.org/cruise_belize.html

2. GOVERNMENT POLICIES AND PUBLIC DEBATES

Tourism in Belize is managed by several public and private entities. The Ministry of Tourism and the Belize Tourism Board (BTB) are governmental organizations that administer tourism marketing, product development and archaeological management. The Belize Tourism Industry Association (BTIA), an industry umbrella organization, is comprised of representatives from local destination sites as well as the Belize Hotel Association, Belize National Tour Operators' Association, Belize Tour Guides' Association, Belize Eco-tourism Association (BETA), and Mundo Maya Organization. The Belize Cruise Ship Industry Association represents businesses involved in cruise tourism.

Since the late 1990s, there have been a number of legislative efforts and industry initiatives to address cruise tourism, and in 2000 Belize became the first country in the region to put into effect a national cruise ship policy. These commendable government efforts to establish clear priorities and guidelines have, however, been undermined by both the exponential growth of cruise tourism and by accusations of high-level secret dealing between government and cruise industry officials. In recent years, a combination of industry trade associations and conservation NGO activism and media exposés have raised public awareness and slowed down, though not stopped, some cruise industry development.

Blackstone Report

Belize's first national tourism strategy, the Blackstone Report mentioned above, was completed in 1998.⁵⁷ The Report paid scant attention to cruise tourism because, at the time, this sector was so small and its exponential growth was not foreseen. According to a BTB study, in the late 1990s, both public and private sectors perceived cruise tourism "as an intrusive and incompatible sub-sector of Belize's tourism industry. With this in mind, little or no effort was made to provide the necessary conditions for its growth and development."⁵⁸ The Blackstone Report's most important recommendation stressed that visitor numbers could grow by as much as 20,000 during the following 5-year period but should not exceed a total of 400,000 in any year. The Report warned that if this limit were exceeded, "such numbers would result in serious environmental and cultural impact and elimination of ecotourism, and as such would be unsustainable."⁵⁹ With these numbers in mind, the Report recommended that Belize develop, market and manage responsible tourism that embraced ecotourism ethics and small-scale development.

The Blackstone Report established Belize's official policy based on responsible tourism. Since the publication of the Blackstone Report, Belize continues to market itself as an ecotourism destination; yet, effective policies have not guaranteed a central focus on

57 Blackstone Corporation and Resource Management & Tourism Consultants. (1998). A Tourism Strategy Plan for Belize. Prepared for the Ministry of Tourism and the Environment.

58 Belize Tourism Board and the Ministry of Tourism. (2000). Belize Cruise Ship Policy, 3.

59 Russell, D.M. and Launchpad Consulting. (1998). A Tourism Strategy for Belize.

small-scale, nature-based stayover tourism. Instead, visitor arrivals have far exceeded the limits set by the Report—due almost entirely to the growth in cruise tourism, as shown in Table 1.1. In fact, as one study notes, the “explosion of cruise arrivals” was so “unexpected and unplanned” that “it was not even considered” in the Blackstone Report.⁶⁰

Cruise Ship Policy, 2000 and 2003

Prior to the Blackstone Report, guidelines for cruise ships were outlined in the Hotels and Tourist Accommodation Act of 1997. This Act jointly assigned the Ministry of Tourism and the BTB the responsibility of “establish[ing], manag[ing], and implement[ing] the Cruise Tourism Policies and Guidelines.”⁶¹ As lobbying intensified from the cruise industry to cut Belize’s head tax to US \$5, the BTB decided, according to Anthony Mahler, “to convene a cruise ship committee to look at developing a policy that would guide the growth of this industry and we invited a host of organizations, including the private and public sectors, and NGOs.” This consultative forum, the Cruise Tourism Advisory Committee (in the 2003 Policy named the Cruise Tourism Licensing Committee), also looked at other countries in an effort to learn from their mistakes. Mahler recalls, “some of these meetings got quite heated and we had to be mediators at times for both sides of the coin, the private/cruise sector, who was pushing for growth and the environmentally conscious people who were against it.”⁶² The upshot of this heated debate was that, in 2000, the BTB became the first governmental organization in the region to develop a cruise policy, as ratified by the Belize National Tourism Council. The objective of the Policy was “to provide a comprehensive set of guidelines for the management and development of cruise visitation in Belize.” Its “guiding principle” was to ensure that the “growth rate and weekly distribution will have to respect the integrity of eco-tourism in Belize. In practice, this means that the carrying capacity established by the industry and by individual sites will be respected and adhered to.”⁶³

Further, the Policy laid out the following objectives:

- 1) to manage the number of cruise ship calls and passenger arrivals in a sustainable manner based on properly researched acceptable visitation limits for the available tourism sites in Belize.
- 2) to optimize the revenues generated from cruise passengers.
- 3) to increase the overall benefits from cruise tourism by creating and strengthening intersectoral linkages, whereby cruise lines source needed supplies of goods and services from Belizean suppliers.
- 4) to expand the absorptive capacity of the country by developing existing and new visitor attractions.

60 Geban, K. Yearwood, S. (2006, Feb 20). Final Report: Status of Belize Overnight Accommodation Sector. Prepared for the Inter-American Development Bank, 8.

61 Belize Tourism Board and the Ministry of Tourism. (2000). Belize Cruise Ship Policy, 3.

62 Mahler, A. (2003). Belize Draft Cruise Ship Policy Document. Coastal Zone Management Authority and Institute, 6.

63 Belize Cruise Tourism Policy.(n.d.). Retrieved on July 3, 2006 from Destinations Belize Web site: http://destinationsbelize.com/cruise_s.htm. 2-4.

- 5) to further develop present port facilities and to explore other ports.
- 6) to identify suitable anchorage sites off the coast of Belize.
- 7) to develop and implement appropriate promotional programs that effectively convert cruise passengers to overnight visitors.⁶⁴

Within the Cruise Ship Policy, the Compliance and Monitoring Plan described cruise ship licensing. The Plan required cruise ships to abide by environmental laws relating to anchorage, recreational activities, diving and snorkeling, onboard activities, and waste disposal. According to the Policy, cruises were prohibited from releasing waste (sewage, solid waste, contaminated water or used oil) during tours in Belizean waters. And Belize Waste Control Ltd. was made responsible for the incineration of offloaded cruise ship waste. All laws were to be enforced by the Department of Fisheries and the Department of the Environment. In order to receive a license, cruise lines were obligated to submit an application with docking dates, number of onboard passengers, and planned activities.⁶⁵

The comprehensive, 10-page policy also laid out some concrete limits and conditions for cruise tourism. These included:

- “No more than three thousand passengers will be allowed to disembark in Belize City on any given day.”
- The *suggested* ratio for number of visitors per guide is 15 for terrestrial and 8 for marine tours.
- Cruise ships should “suspend all forms of entertainment activities onboard, while in port, to encourage shore visitation by passengers.”
- “Utilize the services of a wide cross section of individuals and businesses across the country to prevent the creation and growth of monopolies.”⁶⁶

Under the terms of the 2000 Policy, local shipping agents, as the local representatives of the cruise lines had “full responsibility to ensure total compliance with all requirements.”⁶⁷ The 2000 Cruise Ship Policy set forth an overall sound strategy and guidelines, but the policy was substantially revised in 2003 in a way that weakened some of its progressive measures. Belize would do well to revisit the 2000 document.

Recognizing the long-term consequences of growth without infrastructural support, the Belizean government has also in the last several years tried to improve cruise infrastructure. In addition to completing the Tourism Village, the government has encouraged greater numbers and diversity of tours, has upgraded some major archaeological sites, and has improved a popular caving area. However, major challenges remain, including aesthetic improvements to Belize City and improving security both in the City and at the main tourism sites.

⁶⁴Belize Tourism Board and the Ministry of Tourism. (2000). Belize Cruise Ship Policy, 3.

⁶⁵ Department of the Environment, Belize. (2000). Environmental Compliance Plan for Liveaboard Passenger Vessels.

⁶⁶ Belize Cruise Tourism Policy. From Destinations Belize.

⁶⁷ Belize Cruise Tourism Policy. From Destinations Belize.

In a 2003 address on cruise tourism, Mahler listed a number of needs and challenges. These included:

- Developing more sites throughout the country so that passengers could be dispersed in a manageable fashion.
- Opening new ports and docking facilities (including at Punta Gorda and possibly Big Creek and Placencia).
- Developing promotional programs “that effectively convert cruise passengers into ... stayover passengers.”

In 2003, the government convened a new cruise task force to recommend changes in the current cruise ship policy. The slightly revised Belize Cruise Ship Policy, adopted in 2003, raised the ceiling of daily arrivals to 6000 or three large ships per day, based on the expansion of tender, port, transport, and site facilities.⁶⁸ The number was later raised, to 8000 passengers per day.⁶⁹ And with the opening of the Carnival port slated for 2007, the arrival number is to be raised again to 10,000. Throughout, there have been reports that the quota has been surpassed on certain days.

Like the earlier 2000 Policy, this version included some strong sections requiring passengers be offered “excursions operated and owned by Belizean tour operators and conducted by licensed Belizean tour guides.” The port agents and tour and tender operators were made “responsible for ensuring that all services for excursions....are sourced within Belize.” The 2003 Policy also established “accepted ratios” for terrestrial tours (15 visitors to 1 guide) and marine and caving tours (8 visitors to 1 guide) and charged the Tourism Police Unit with enforcement. It also provided a breakdown of sites used for cruise tourism, including special requirements, entrance fees, suggested visitors/day and visitors/tour—some of which exceed slightly the “accepted ratios” in the revised Policy.⁷⁰ It also outlined monitoring procedures of natural areas used as visitor sites, stating that “it is critical that the departments and agencies responsible for the monitoring of these resources receive the funding necessary to carry out their duties and responsibilities.” This however, did not happen and, according to a range of government, tourism industry, and NGO experts, ongoing monitoring has not happened, largely because no funds have been available.⁷¹ In terms of public input, the 2003 Policy reconstituted and redefined the functions of the Cruise Tourism Licensing Committee, stating that it should review applications for licenses to work in cruise tourism, help establish allowable numbers of passengers/day, and recommend how to maintain a balance between overnight and cruise passenger arrivals.⁷² The committee’s functions did not, however, include reviewing the head tax or commission structure, two sensitive issues that are not addressed in the Cruise Ship Policy.

After the government’s commendable start of developing a comprehensive cruise policy in a consultative manner, key decisions began to be made behind the scenes. In the

68 Mahler, A. (2003, May). Belize Draft Cruise Ship Policy Document, 9.

69 “Carnival Cruises Given the Green Light!”. (March 18, 2004). Amandala Newspaper. Retrieved on June 21, 2006 from <http://www.ambergristoday.com/archives/25-3-04/index.html>

70 BTB, Belize Cruise Ship Policy, 2003, Annex 2 and p. 5.

71 BTB, Belize Cruise Ship Policy, 2003, 6-7; Personal conversations with BTB, NGO, and industry officials, Belize City, August 1-3, 2006.

72 Ibid., Annex 3.

last few years, the local press, tourism trade associations, and leading NGOs have charged that some critical decisions were taken without public debate or even proper consultation with the Ministry of Tourism and the BTB.⁷³ One of the most contentious of these decisions was the Carnival contract controversy which erupted in 2004.

Carnival Cruise Contract and Cruise Tourism Impact Forum, 2004

In 2004, public debate broke out over the terms of a new contract with Carnival Cruise Lines which had been negotiated directly with Belize Prime Minister Said Musa.⁷⁴ While the catalyst for the controversy was the Carnival contract, public debate quickly expanded to a litany of issues about the impacts of cruise tourism in Belize. In September 2004, the Belize Hotel Association hosted a Cruise Tourism Impact Forum, which served as an opportunity for various parties to report progress, voice concerns, and make recommendations. At the forum, the cruise industry was represented by the Belize Cruise Ship Industry Association. Other participants included the National Institute of Culture and History, the Ministry of Natural Resources, the Department of the Environment, the Fisheries Department, the Belize Tourism Industry Association (BTIA), the Belize National Tour Operators Association, Programme for Belize, and the Belize Ecotourism Association (BETA).

Several months earlier, the Belize press had revealed that Prime Minister Musa had personally negotiated a contract with Carnival Cruise Lines, Belize Cruise Ltd. and Belize Ports Ltd. to develop the country's first docking facilities for a cruise line on the south side of Belize City. As with the Tourism Village, this new pier was to be a private facility.⁷⁵ Carnival and the Port of Belize announced that the BZ \$100 million (US \$50 million) cruise terminal would be completed by 2007 and would include a pier able to accommodate two cruise ships (thereby eliminating the need for tendering). The development would also include a welcome center, casino, hotel, restaurants, duty-free zone, other tourism amenities, and ground transportation. Carnival, the world's largest cruise line, said that under this agreement, it pledged to make regular calls in Belize for the next 25 years, "bringing in \$2 billion in revenues."⁷⁶ Tom Greenwood, President of the Belize Cruise Ship Industry Association, praised the agreement as "one of the greatest developments in cruise tourism"⁷⁷ and argued that the new port facility would improve housing and economic conditions for residents in the area. Luke Espat, the Belizean developer with Belize Ports who partnered with Carnival in the project, argued that the terminal's upmarket shops, restaurants, 50-room hotel, duty-free zone, and mall-like amenities would be more appealing to the middle-class cruise clientele. He also argued the project was of epic importance: "This is 1850 California. It's a gold rush.

73 See, for instance, various articles in *Amandala Weekly*, www.amandala.com; *Ambergris Today*, www.ambergristoday.com, and *Belize First*, www.belizefirst.com.

74 "PUP Times slams Lucy Fleming, Mark Espat!". (2004, Nov 11). *Amandala Weekly*. Retrieved July 4, 2006 from <http://www.amandata.com.bz/index.php?story=251=PHPSESSID=7926d9cc80835dla3512>

75 "PUP Times slams Lucy Fleming, Mark Espat!" (2004, Nov 11). *Amandala Weekly*.

76 "PUP Times slams Lucy Fleming, Mark Espat!" (2004, Nov 11). *Amandala Weekly*.

77 Greenwood, T. (Sept 29-31, 2004). Belize Cruiseship Industry Association Presentation. Cruise Tourism Impact Forum.

If our people aren't prepared to be part of it, they will lose their stake in the future," Espat told the *Los Angeles Times*.⁷⁸

But according to press reports, the deal "was apparently hard to sell to tourism authorities," including the Cabinet where Tourism Minister Mark Espat was said to have led a faction that called for significant changes in the agreement.⁷⁹ The contract was negotiated without the knowledge of the Cabinet or the tourism regulatory agencies and reportedly included "exorbitant concessions in favor of the cruise company."⁸⁰ The press also reported that Royal Caribbean and Diamonds International, angered at losing the exclusivity they believed they had been guaranteed in the 15-year Tourism Village agreement signed with the BTB, threatened to challenge the Carnival agreement in court. Among their concerns were reports that Carnival was negotiating for a portion of the passenger head tax paid by cruise lines exclusively to the owners of the Tourism Village. Carnival reportedly argued that it should receive the portion of the head tax paid by passengers on its vessels as well as that paid by ships using the new docking facilities. In addition, on the same day that Feinstein Group "announced a \$120 million investment plan with Royal Caribbean for a docking portal at State Bank Caye, a small island just off Belize City, which would accommodate 4 mega-lines"⁸¹ and a causeway connecting this new port to the mainland.



State Bank Caye, construction site for the proposed Royal Caribbean docking portal

As more details of the Carnival contract leaked out, many others in the tourism industry, along with local NGOs, voiced strong reservations about both the negotiating process and the terms of the agreement. BETA charged that there had been a breakdown in transparency in the government negotiations with Carnival Cruise Lines and that "absolutely no effort was made to consult with other sectors of the industry and particularly with the BTIA" (the Belize Tourism Industry Association).⁸² BETA, BTIA, the Belize Hotel Association, and the Belize Tour Operators Association all questioned contract wording, arguing that it violated the Cruise Tourism Policy and compromised Belize's ability to protect its tourism resources and general tourism base. For example, under the terms of the contract, Carnival was entitled to exemption on all taxes and duties, was immune to increases in new or existing fees, was subject to no more than

78 Dickerson, M. (2006, March 13). "Buoyant Belize Cruise Trade May Sink Paradise: The fast-growing port is bringing boatloads of traffic that is changing the face of the nation". *Los Angeles Times*.

79 "Carnival Cruises Given Green Light!"; "Carnival Cruise Contract Under Fire". (2004, Oct 27). *The Belizean – The Belize News Blog*. Retrieved July 1, 2006 from <http://www.belizean.com>.

80 "Carnival Cruises Given Green Light!"; "Carnival Cruise Contract Under Fire". (2004, Oct 27). *The Belizean – The Belize News Blog*. Retrieved July 1, 2006 from <http://www.belizean.com>.

81 "Carnival Cruises Given Green Light!"; "Carnival Cruise Contract Under Fire". (2004, Oct 27). *The Belizean – The Belize News Blog*. Retrieved July 1, 2006.

82 "Carnival Cruises Given Green Light!"; "Carnival Cruise Contract Under Fire". (2004, Oct 27). *The Belizean – The Belize News Blog*. Retrieved July 1, 2006.

3% annual increases in passenger head taxes *after* 2010, and was entitled to apply for licenses from the government rather than the Belize Tourism Board. In addition, Section 7 of the contract overrode passenger limitations: it stated that “any law, policy or regulation, including without limitations, the Belize Cruise Ship Policy published by the BTB, now or hereafter in effect, which limits in any manner the number of cruise passengers which may visit Belize on a daily, weekly, monthly or annual basis, *shall not apply to cruise passengers who arrive on Carnival Lines* whose vessels berth at the Belize Cruise Terminal Limited Port.”⁸³

Debate at the 2004 Cruise Tourism Impact Forum

In his keynote address at the September 2004 Forum, Minister of Tourism, Mark Espot, addressed the Carnival controversy by presenting a thoughtful and balanced review of the pros and cons of cruise tourism in Belize. Among the pros, he listed job creation (estimated at 1500 on a capacity day of 8000 cruise passengers) and investments by the world’s two largest cruise companies. Espot noted, “For the first time, City residents feel that they can get a piece of that proverbial tourism pie” and that Belize City is “bursting with an entrepreneurial spirit.” But he went on to note that there is an “overarching fear” that “cruise passengers by the hundreds and thousands will overrun the popular destinations, diminishing the premium you can charge, destroying the exclusivity of Belize and after a few good years, Belize would lose its cruise industry charm and with the loss would be the loss of a steadily growing overnight sector.”⁸⁴ He also warned that “vertical integration of the cruise industry will sow resentment.” He explained, “simply put, the more owners involved in every activity, the better for the country. If the same company owns the cruise ship, owns the pier, owns the village, owns the bus company, owns the taxi operations, takes a disproportionate cut from the tour, charges an on-board marketing fee, then there is little or no trickle down.” While only obliquely referencing the Carnival Cruise controversy, Minister Espot stated that “the question is, what policies can we put in place to ensure that cruise tourism is sustainable, that it complements rather than undermines the larger overnight sector,” and he went on to offer a series of concrete reforms.⁸⁵

At the 3-day Forum in 2004, a handful of speakers noted the positive contributions of cruise tourism. Tom Greenwood of the Belize Cruise Ship Industry Association, declared: “The benefits of cruise tourism are spread widely among the populations of [Belize and other countries]...positively impacting on both the public and private sectors. While traditional tourism, which has its own unique enclosures, has impacted on Belize as well, it has not done so at the incredible level of cruise tourism.”⁸⁶ Vincent Palacio, who was then the Director of the Tourism Training Unit at the BTB, also described recent infrastructure improvements made in Belize City and other regularly visited tourist destinations. In particular, the BTB has restored dilapidated roads leading to heavily touristed sites and improved signage in Belize City.⁸⁷ Even BETA stated, “we

83 BTIA. (n.d.)Tropical Recipe for Disaster. Retrieved Dec. 5, 2005 from Belize Tourism Industry Association Web site: <http://www.btia.org>

84 “Cruise ship contracts spout controversy”. (2004, Oct 7). The San Pedro Sun, 14,(34). Retrieved Dec. 5, 2005, from www.sanpedrosun.net/old/04-342.html

85 Hon. Espot, M. (2004, Sept. 29). Keynote address.

86 Greenwood, T. (Sept. 29-31, 2004). Belize Cruiseship Industry Association Presentation. Cruise Tourism Impact Forum.

87 Greenwood, T. (Sept. 29-31, 2004). Belize Cruiseship Industry Association Presentation. Cruise Tourism Impact Forum.

appreciate there are areas of the country, in particular Belize City, where many are living lives of poverty and that well organized cruise tourism might be one of the avenues to improve their existence.”⁸⁸ However, overwhelmingly, a parade of government, tourism industry, and NGO speakers at the Forum detailed a wide range of concerns and questions about cruise tourism in Belize.

The Department of the Environment (DOE), Programme for Belize, and the Belize Ecotourism Association addressed cruise tourism impacts on the environment. Albert Roches, the Environmental Officer at the DOE, expressed frustration over his agency’s financial inability to monitor cruise ships’ compliance with environmental regulations. According to Roches, the DOE’s most pressing concern was the monitoring of ships’ waste disposal. He also recommended environmental impact assessments for future developments, carrying capacity assessments for all tourist destinations, and continued environmental compliance agreements with all cruise lines.⁸⁹

Edilberto Romero and Anselmo Castaneda of Programme for Belize outlined inequalities in the economic benefits of cruise tourism. They underscored that cruises pay very little in taxes and that the majority of cruise expenditures in Belize “provide very high positive economic benefits for a few individuals but very little benefit for the local communities.”⁹⁰ Furthermore, they protested that Belize has been unable to raise cruise taxes because cruise conglomerates threaten to pull out and relocate to other Caribbean locations that charge lower taxes and fees. Among their many recommendations, Romero and Castaneda suggested that Belize “develop and implement...regional and global agreements (conventions) on port fees, departure fees, and other tourism related fees in order to combat [cruise line’s] nomadic behavior.”⁹¹ They noted that if all Caribbean nations collectively agreed to raise cruise taxes and fees, nations would not have to worry about underbidding each other and losing vital business.⁹²

The Belize Ecotourism Association (BETA) presented its own Position Paper on cruise tourism. The paper highlighted seven issues concerning cruise tourism: illegal dumping, carrying capacity, taxation, cultural impact, environmental degradation, finances and impact on stayover visitors. BETA described Belize’s inability to monitor cruise ship dumping and waste offloading as a real threat, citing US \$40 million fines issued to Royal Caribbean, Carnival and Norwegian Cruise Lines for illegal dumping between 2000 and 2004.⁹³ BETA also highlighted that cruise lines are not obligated to financially support Belizean services supplied to cruise ships including “buses, toilet facilities, food at discounted prices, boats and gasoline, road systems, etc.”⁹⁴ Similarly, Belize’s overall tourism marketing benefits the cruise lines but is carried out without the financial assistance of those lines. Furthermore, BETA asserted that there is currently no

88 Belize Eco-Tourism Association.(Sept. 30-31, 2004). Untitled presentation. Cruise Tourism Impact Forum.

89 Roches, A. (Sept. 30-31,2004). Environmental Impacts of Cruise Tourism in Belize. Cruise Tourism Impact Forum.

90 Castaneda,A. Romero, E. (2004, Sept. 30-31). Comments and Observations on Cruise Ship Tourism in Belize. Cruise Tourism Impact Forum.

91 Castaneda,A. Romero, E. (2004). Cruise Tourism Impact Forum.

92 The WTTC, in its Caribbean-wide tourism assessment, endorsed this approach, arguing that: “destinations need to understand that, although they are in competition with the cruise lines for visitor business, they are also partners.” World Travel and Tourism Council., The Caribbean (London: WTTC, 2004), 65.

93 Belize Eco-Tourism Association.(Sept. 30-31,2004). Untitled presentation. Cruise Tourism Impact Forum.

94 Belize Eco-Tourism Association. (2004). Cruise Tourism Impact Forum.

strategy to encourage (or demand) cruise lines to fund community development projects—an element that ecotourism practitioners espouse and many practice. Finally, BETA charged that there had been a breakdown in transparency in the recent government negotiations with Carnival Cruise Lines over the construction of a new cruise ship docking facility. BETA charged “absolutely no effort was made to consult with other sectors of the industry and particularly with the BTIA” (the Belize Tourism Industry Association).⁹⁵

Following the Forum, the pressure did not subside. At a meeting in October 2004, outgoing BTIA President Steve Schultz blasted the Carnival Cruise project as “an agreement with a few individuals” that “has led them to sell our industry and our nation.” He continued:

They claim they will invest 100 million in our country but the plan only calls for them to build their own pier, their own tourist village, their own shops, and their own casino to compete with those businesses which are here already established. They are investing nothing in the infrastructure of our parks, our Maya sites, our marine reserves, our fisheries or even our agricultural produce. In fact, the contract specifically states that they are exempt from dealing with Belizean labor or contractors in the construction or operation of their business.

They are given the right to bring unlimited numbers of passengers but reduce the fees paid to support our protected areas from 20 percent of the head tax to one flat Belizean dollar, fifty cents U.S. They want to rape our patrimony and tell us it's good for us. And finally they hold themselves apart from any future law or regulation we might want to pass to protect our country's natural resources and our labors.

The contract that Carnival has negotiated on a false promise of investing in this country gives them every right to pillage our country and our industry while they drive out their own competition. How will the existing tourist village stay in business if they have to hire Belizean labor under Belizean law while Carnival brings in the cheapest labor it can find?⁹⁶

BTIA's incoming President Lucy Fleming was only slightly more conciliatory. In her speech at the Forum she conceded, “we are not against cruise ship tourism,” but made it clear that “we feel that Carnival Cruise Lines is a bull in the china shop and we are frightened that this bull will ruin our merchandise and scare off our customers. We're wondering why we weren't consulted as leaders in the tourism industry. We are wondering why our minister was not consulted, nor his ministry, nor the Belize Tourism Board. So we would want answers from government.”⁹⁷

95 Belize Eco-Tourism Association. (2004). Cruise Tourism Impact Forum.

96 “Carnival Cruise Contract Under Fire”. (Oct. 8, 2004). The Belizean – The Belize News Blog. Retrieved on July 1, 2006 from: http://www.belizean.com/mt-static/archives/2004/10/pm_calls_for_ca.html

97 Carnival Cruise Contract Under Fire. (2004 Oct 8).

In October, Prime Minister Musa personally urged the House of Representatives to pass the pending Cruise Ship Port Development Project Bill. He argued that the project would uplift the south side of Belize City, create “hundreds of new jobs and revolutionize the tourism industry and may even spur Royal Caribbean to build their own cruise ship port.” He contended that the exemptions from taxes and duties contained in the agreement are “normal in a project of this magnitude.”⁹⁸

A Clarification Agreement

In November 2004, the BTIA asked the Supreme Court to intervene.⁹⁹ Arguing that the Prime Minister could not approve the contract without public consultation, BTIA petitioned the Supreme Court to prepare a judicial review of the contract and to identify potentially illegal aspects. Under mounting pressure, the government, Carnival Cruise Lines, and Ports of Belize, together with the BTB, agreed to sign a “Clarification Agreement” which re-negotiated 12 clauses in the original contract. On November 12, 2004, Tourism Minister Espat confirmed to the press that he had been present at the signing ceremony in the capital of Belmopan. He said that the new agreement guaranteed that “Belizean nationals, agencies and entities will be employed for the project,” recognized the BTB as the management body for tourism in Belize, increased the head tax from US \$5 to US \$7 beginning January 1, 2005, and bound Carnival to the laws and regulations of Belize. “It is a version that we are comfortable with,” Minister Espat told the press.¹⁰⁰

Then in December, Minister Espat was removed as part of a Cabinet reshuffle. His replacement, Godfrey Smith, assumed leadership of both Foreign Affairs and Tourism, with Rodwell Ferguson named to a non-cabinet post of Minister of State for Tourism.¹⁰¹ The BTIA legal case aimed at stopping the agreement has remained tied up in court. In the summer of 2005, construction began on the new Carnival port, with developers projecting it will be operational by October 2007. At a July 2005 press conference for the final agreement, the Vice President of Strategic Planning at Carnival, Giora Israel, attempted to assuage public concerns: “We are guests in this country. We will abide by the laws of Belize.”¹⁰²

White Paper, 2005

Since the publication of the Blackstone Report in 1998, and the pioneering Cruise Ship Policy in 2000, Belize has continued to market itself primarily as an ecotourism

98 “PM Calls for Carnival Support”. (Oct. 27, 2004). The Belizean – The Belize News Blog. Retrieved on July 1, 2006 from http://www.belizean.com/mt-static/archives/2004/10/pm_calls_for_ca.html

99 Dickerson, M. (March 13, 2006). “Buoyant Belize Cruise Trade May Sink Paradise: The fast-growing port is bringing boatloads of traffic that is changing the face of the nation”. Los Angeles Times.

100 “Romero, M. Carnival Contract Gets OK”. Retrieved on June 28, 2006 from www.belizean.com/mt-static/archives/2004/11/carnival_contra.html; Clarification Agreement Signed for Carnival Cruise Port to Proceed. Government of Belize Press Office. (Nov. 17, 2004). Caribseek Caribbean News. Retrieved July 4, 2006 from <http://news.caribseek.com/set-up/exec/view.cgi?archive-49&num=6008>

101 Sluder, L. (June 3, 2006). “PM Boots Three Cabinet Ministers Including Tourism’s Mark Espat”. Belize First, Updates. Retrieved June 20, 2006 from www.belizefirst.com/current.html.

102 Ysaguirre, W. (July 30, 2005). “Carnival will begin to build!”. The Reporter. Retrieved on Dec 7, 2005 from <http://belizenews.com/>

destination under the banner of “Mother Nature’s Best Kept Secret.” Yet it is widely recognized that effective policies have not guaranteed a central focus on small-scale, nature-based stayover tourism. Despite having many of the right ingredients—outstanding natural and archeological sites; a friendly English speaking population; a network of small lodges and hotels; an international reputation for high quality ecotourism; political stability; and proximity to North America—Belize lags far behind other countries in Central America and a number of smaller Caribbean islands. In fact, Belize has one of the lowest non-cruise tourism arrivals in Central America (Table 2.1), and one of the slowest growth rates in stayover tourism arrivals of any country in the region (only an 18% increase from 2000 to 2004) (Table 2.2). Similarly, in 2004 in the Caribbean and Central America combined, Belize ranked first in growth of cruise ship visitation, but only 22nd in overnight tourism growth, according to the United Nations World Tourism Organization.

Table 2.1: Annual Stayover Tourism Arrivals in Central America, 2004

Costa Rica	1,453,000
Guatemala	1,182,000
El Salvador	966,000
Panama	652,000
Nicaragua	615,000
Honduras	672,000
Belize	231,000

Source: United Nations World Tourism Organization, World Tourism Barometer, January 2006. p. 23.

Table 2.2: Total Increase in Stayover Tourism, 2000-2004

Guatemala	43%
Honduras	43%
Costa Rica	34%
Panama	28%
Nicaragua	27%
El Salvador	20%
Belize	18%

Source: United Nations World Tourism Organization (UNWTO). Tourism Market Trends, 2005 Edition. Annex. P. 5.

With cruise passenger arrivals nearly four times greater than stayover arrivals by 2004, the BTB and the Ministry of Tourism commissioned a White Paper to examine the trends and update the National Tourism Strategy. Issued in June 2005, the White Paper reiterated the core components of the 1998 National Tourism Strategy as “the importance of sustainability (i.e., responsible tourism), a cooperative approach (including all stakeholders) to development of the industry, a focus on environmentally-based tourism activities, involvement of local people in the process (a community-based tourism approach)” and “the need for industry standards,” and concluded that these “should be at the forefront of Belize’s new tourism strategy if it wishes to maintain and

grow the high yield eco/cultural/adventure markets.”¹⁰³ The White Paper concludes that “mass cruise visitation threatens to compromise the country’s eco-destination status. The implications of this growth must be examined critically, particularly in light of the country’s commitment to its marketplace position as an ecotourism destination.”¹⁰⁴

The White Paper argues that Belize must maintain ecotourism while integrating cruise tourism in a methodical and controlled fashion. Belize’s two-prong policy approach for managing cruise tourism consists primarily of designating specific sites for cruise tours and promoting private sector developments for cruise tourists; such sites and projects are intended to minimize impacts on the natural environment as well as on the experiences of stayover tourists. The White Paper further recommends that Belize’s ecotourism infrastructure be upgraded to meet international market-ready standards so as to enhance appeal for overnight stays.

In addition to these policy approaches, the BTB was by 2006 involved in beginning to prepare a new Tourism Master Plan using an integrative approach involving the national government, local governments and communities, the private sector, the media, NGOs and international partners.¹⁰⁵

103 Belize Tourism Board. (June 2005) White Paper: Considerations for Updating the National Tourism Strategy for Belize,. 54.

104 Belize Tourism Board. (June 2005) White Paper: Considerations for Updating the National Tourism Strategy for Belize,. 54.

105 Personal conversations with Anthony Mahler, August 2006; Palacio, V. (2004 Sept 30-31). Welcome. Cruise Tourism Impact Forum.

3. SURVEY RESULTS AND ANALYSIS

Cruise Passengers

Cruise Ship Passenger Surveys

In a first step to assess the impacts of cruise tourism on Belize, CESD and INCAE used the “travel cost method” (TCM) to study patterns in activity choice, spending, preferences, and willingness to pay among cruise passengers. Commonly employed to analyze demand for tourism services, TCM relies on tourist surveys to obtain a profile of visitors’ actual expenditures and to elicit sensitivity to exogenous changes in travel costs. In addition to basic demographics, TCM also investigates trip characteristics in order to derive a demand curve for tourism visitation. In general, TCM allows researchers to extrapolate survey results to broader populations, infer visitors’ willingness to pay for tourism services, and explore the effect of local, national, or industry policy changes on tourism behavior.¹⁰⁶

The sampling plan originally called for random sampling of cruise tourists within the Belize City Tourist Village just prior to their return to the ship. However, as most tourists participate in a tour upon disembarking from the ship, and few subjects were willing and able to complete the surveys while they were within the village limits, arrangements were made with Bel-Cruise Limited to administer the surveys during bus rides for Carnival cruise ship passengers on their return from a local attraction known as cave tubing at Caves Branch. In 2005, over 60% of all cruise passengers to Belize came on Carnival. Since Bel-Cruise is the primary supplier of tours offered through Carnival shore excursions, their tours were identified as a convenient way to survey representative majority of cruise visitors to Belize. As a consequence of interviewing during pre-arranged Bel-Cruise rides, practically all respondents were on a cruise ship from among Carnival Cruise Lines’ fleet (i.e., Elation, Valor, Glory and Miracle).

Moreover, according to 2003 VEM survey data of cruise passengers, cave tubing at Caves Branch is the most commonly selected tour package.¹⁰⁷ In 2005, over 84,000 cruise visitors participated in this activity, representing 82% of all visitors to Caves Branch.¹⁰⁸

The 10- to 15-minute survey consisted of a four-page questionnaire with 65 questions divided into four sections. As required under the Human Subjects Research protocol, participation was voluntary and the identities of respondents were kept confidential. Participation was limited to one survey per couple or family. All participants were at least 18 years of age.

Inquiries were made concerning trip characteristics and activities, trip satisfaction, expenditure patterns, tour purchases, willingness to spend, and demographic information. Multi-item measures were used to rate visitor experiences and perceptions

¹⁰⁶ For a more detailed explanation of TCM, see http://www.ecosystemvaluation.org/travel_costs.htm.

¹⁰⁷ Central Bank of Belize. (November 2005). 2003 Visitor Expenditure Survey, 24.

¹⁰⁸ BTB. (2006). Archaeology Site Statistics. Excel spreadsheet provided by Raymond Mossiah, August 8, 2006.

of local attributes and offerings. These items were rated on a 5-point Likert scale ranging from “Very likely” (5) to “Very unlikely” (1) or from “Very important” (5) to “Very unimportant” (1) (Appendix A).

Surveying took place in July and August of 2005 and resulted in 609 useable surveys (of 623 completed surveys). Most of the 14 rejected surveys were due to non-target populations (e.g., minors, business travelers, people visiting family or friends). A few of the discarded surveys were due to a lack of useable information. Quantitative information about refusal rates was not collected. Surveyors estimated there was approximately one rejection in three attempts made at the principal cruise tourist shopping area (Tourist Village) and one per bus (approximately 15-20 couples or families) for attempts made on the return trips from tours. The typical reason provided for rejection was a lack of interest or time in completing the survey instrument. Although the refusal rate at the Tourist Village is on the high side, experience with similar instruments on similar populations leaves us reasonably confident that individual's choice not to complete the survey did not systematically bias our results.

Royal Caribbean's ownership of the Village is unfortunate from a research perspective due to the potential to invite bias in data obtained there from too many Royal Caribbean customers. We are sensitive to this potential source of bias. However, our surveyors were only able to secure permission to interview on the buses run by tour companies with contractual arrangements with a second cruise company, Carnival, and this arrangement potentially countermands any bias created by surveying shoppers in a Royal Caribbean owned tourist village. Since Royal Caribbean and Carnival lines represented 72% of all cruise ship arrivals in Belize in 2005, we feel our data still remain broadly representative (Table 1.3b).

Results

In the results of CESD/INCAE surveys of Belize cruise passengers, 41% of respondents were male and their average age was just over 40 years, somewhat younger and less gender balanced than expected. Respondents were also somewhat more educated than expected, with most having completed a four-year college or university education. (These findings may reflect the fact that the surveys were undertaken with passengers going on land excursions who may well have been a younger and more active sample than ship passengers who either did not disembark or stayed only within the dock-side “village” or Belize City.) About 8% of respondents were retired, somewhat lower than expectations; and about 83% of respondents were employed. Employed respondents received an average of 3-4 weeks of paid vacation per year, though there was substantial variation in response to this question (Table 3.1).

An overwhelming 96% of respondents were US citizens, and more than 1% was Canadian. If Mexicans and Puerto Ricans are included in the calculations, some 99% of cruise passengers to Belize would have been North Americans. Reported household sizes of 2-3 people, including two income earners, are typical in the United States. However, an average household income of about US \$90,000 indicates a wealthier

demographic than was expected based on other studies conducted on this tourism sector (Table 3.1).

Table 3.1: Cruise tourists in Belize: Demographic information

	Mean*	Median*	Mode*	Max	Min
Male (%)	41%	0	0	1	0
Age (years)	40.26	42	42	75	18
US citizen (%)	96%	1	1	1	0
US or Canada citizen (%)	97%	1	1	1	0
Employed (% yes)	83%	1	1	1	0
Paid vacation (weeks)	3.66	3	2	18	0
Household size	3.12	3	2	9	1
Household Income earners	1.78	2	2	5	1
Household Income (US \$)	91,422.10	90,000	140,000	140,000	30,000

*Mean is the mathematical average of a sample. Median is the middle number in a sample arrayed in order of lowest to highest response. Mode is the number that occurs most frequently in a sample.

Cruise Vacation Characteristics

Our sample of cruise passengers reports that the average length of Carnival cruises that include Belize is 7 days, a figure that accords nicely with company websites. Carnival itineraries include several additional ports of call, including: the Cayman Islands; Costa Rica; Panama; Roatán, Honduras; Cancun or Cozumel, Mexico; and Key West, Florida. Royal Caribbean and Norwegian Cruise Lines also travel to Belize on 5- to 7-day tours, with stops at either Cozumel or Costa Maya, Mexico. Thus, Carnival tends to visit more ports per itinerary than its competitors. Port visits, pricing, and capacity are nearly equivalent for all three companies.¹⁰⁹ Belize experts familiar with cruise ship and cruise line cultures indicate that minor variations between passenger profiles are evident between different ships, but overall differences between cruise lines are insignificant.¹¹⁰

Our sample of cruise ship visitors to Belize indicates little previous experience with cruises, on average, and even less experience with Belize (Table 3.2). Approximately two-thirds of respondents were on their first (39%) or second (26%) cruise. Some 99% of cruise tourists were on their first or second trip to Belize and 93% were first-time visitors. Cruise tourists are very rarely also overnight visitors; they spent a reported maximum of 15 hours in the port and an average of about 8-9 hours on land. As discussed later, this differs dramatically from stayover tourists who spend, on average, 6.8 days in Belize during a visit.

109 See www.carnival.com, www.royalcaribbean.com, www.norwegiancruises.com Retrieved on June 20, 2006.

110 Personal communication with tour operators and Anthony Mahler, BTB's Director of Product Development, August 6-9, 2006.

Table 3.2: Travel habits of cruise tourists to Belize

How many...	N	Mean	Median	Mode	Max	Min	St. Dev.*
...times on a "cruise vacation"	609	2.90	2	1	11	1	2.55
...days on this trip	601	7.07	7	7	15	1	0.84
...days in this country	601	1.01	1	1	3	1	0.13
...hours in this port	540	8.79	8	12	15	1	2.55
...times visited this country	607	1.11	1	1	8	1	0.54

*St. Dev. means 'standard deviation', which measures the average statistical dispersion from the mean.

The mean number of people traveling together on their cruise vacation to Belize is 4.5. The median response was three person groups. Some 39% of respondents were traveling as a couple, making the most common group size (mode) a pair.

Respondents were asked to report the per person cost of their cruise, the transportation costs to and from the ship, and their daily onboard expenditures. These figures can be used to estimate the total cruise-related expenditures of the cruise vacation, excluding expenditures for purchases at the ports of call themselves or for tours in the ports of call/host countries. Some port and tour expenditures accrue to the cruise ship, while some goes to the host port community and country. The cruise costs and onboard expenditures clearly accrue to the cruise company, while some of the transportation, tour, shop and restaurant expenditures may find their way to the cruise company, depending on the contractual agreements between the cruise lines and local businesses.

According to people surveyed, the average cruise price for itineraries including a Belizean port of call was estimated at US \$1335.83 per person, excluding transportation to and from the cruise's home port. Substantial variation in cruise rates was observed, but the majority of responses fall between US \$1000 and US \$2000 per person (Table 3.3). The average per person expenditure on transportation to and from the home port was US \$370.18. However, there was a great deal of variation in response, with some people reporting essentially no costs and most respondents reporting transportation costs of under US \$1000 per person (Table 3.3). The average daily per person expenditure while on the ship was US \$103.77. Many people estimated onboard expenditures at substantially less (median US \$50 per day), but some big spenders reported very high onboard purchases; thus, skewing the average (Table 3.3). The average total cruise-related expenditure, including transportation, was US \$2,345.22 per person, with the median and mode expenditure calculated at about US \$400-\$450 less per person. This indicates a substantial spread in spending practices beyond the basic cruise package price. Survey results also found that the average daily expenditures for a cruise vacation including a Belizean port of call was US \$342.08 per person (Table 3.3), and the average duration of the full cruise was 7 days (Table 3.2). In total, cruise tourists whose vacation included a port call in Belize spent on the order of US \$1.9 billion¹¹¹ in 2005, excluding their in port expenditures.

111 Calculated by multiplying all cruise tourists to Belize (800,331) by average total cruise-related expenditures (\$2,345.22).

Although cruises have the reputation of being a ‘bargain vacation,’ the survey findings from the cruise passenger surveys and the airport surveys (analyzed in more detail below) show that cruises to Belize are more expensive than pre-package stayover trips in Belize of equal length. To compare, the average cruise to Belize, including airfare, costs US \$2345.22 per passenger, while the average pre-packaged stayover tour to Belize costs US \$1522, according to the 2003 VEM survey.¹¹² These findings demonstrate that, on average, week long stayover holidays to Belize cost less than the average 7-day cruise vacation stopping in Belize.¹¹³ But of course, only a tiny fraction of the average cruise vacation costs remain in Belize.

Table 3.3: General cruise vacation travel expenses, 2005, in US \$***

	N	Mean	Median	Mode	Max	Min	St Dev**
Cost of cruise	574	1335.83	1200	1000	5000	75	671.27
Transportation to/from home port	509	370.18	240	200	8000	0	632.37
Daily onboard spending	554	103.77	50	100	2000	0	164.12
Total cruise related expenditures	526	2345.22	1922.5	1900	11750	35	1451.99
Total cruise related expenditures per diem*	521	342.08	271.43	271.43	2850	5	247.13

*Represents total cruise-related expenditures, including transportation, roughly divided over 7 days.

** St. Dev. means Standard Deviation.

***Calculations in this table are weighted by the number of observations; each mean is influenced by the number of individuals who responded to that particular question. Since the number of observations is similar for each question, the relative weights of the mean values are close, but not exactly equal. For example, the “total cruise related expenditures per diem” is not exactly equal to the “total cruise related expenditures” divided by the average days (7) of a cruise vacation. Since the number of observations for these two questions is slightly different, means are regarded separately. This is also why mean total cruise related expenditures is not simply the sum of the means of the cruise expenditure categories.

Cruise Tourist In-port Activities

The rate of disembarkation in Belize is 85%, according to BTB statistics,¹¹⁴ making it “higher than the rates in other Caribbean destinations.”¹¹⁵ Several factors appear to contribute to this. Under Belize’s 2000 Cruise Ship Policy, cruise lines must shut down all activities onboard the vessels—casinos, restaurants, and entertainment—while in Belize. According to the BTB, this policy “results in more people coming off the ships and spending money in Belize.”¹¹⁶ In addition, Belize offers a wider diversity of tours

112 Visitor Expenditure and Motivation Survey. (2003). Belize Tourism Board, 14.

113 Visitor Expenditure and Motivation Survey. (2003). Belize Tourism Board, 5,14.

114 Personal communications with cruise line port agents and Anthony Mahler, BTB Director of Product Development, August 7-9, 2006.

115 Belize Tourism Policy. (2005 March). Belize Tourism Board, 7

116 Mahler, A. (2003). Belize Draft Cruise Ship Policy Document. Coastal Zone Management Authority and Institute.

than other cruise destinations.¹¹⁷ For instance, Carnival's website lists 32 different shore excursions in Belize that passengers can choose to purchase onboard or online. They range in duration from 2.5 to 7 hours and in cost from US \$50 to US \$200. In comparison, other ports of call on itineraries with Belize offered: 20 shore excursions in Limón, Costa Rica; 12 excursions in Colón, Panama; 22 in Roatán, Honduras; and 21 in Costa Maya, Mexico.¹¹⁸

Based on the 2000 and 2003 VEMS results, Launchpad Consulting found two other interesting comparisons. The first compares cruise tourist expenditures in Belize with that of the Caribbean in general: the average expenditure for cruise passengers in Belize was US \$45 or "roughly 57% below the Caribbean average." (This figure of \$45, interestingly close as the figure found in this CESD study, came from a cruise passenger survey conducted by the BTB and the Central Bank of Belize in 2000.) Launchpad Consulting also found that Belize "has the lowest rate of disembarkation for crew members" and that this appears to be "the direct result of a lack of shopping amenities and other on-shore entertainment."¹¹⁹ The low rate of crew disembarkation was confirmed by CESD/INCAE field researchers, but is also thought to be influenced by Belize's long tendering process.¹²⁰

Of those surveyed for this study, some 86% indicated that they disembark at all ports of call, while an additional 8% indicated they leave the ship at only some ports of call. Practically all (93% of) respondents purchase land tours, with more than half of respondents purchasing tours at all ports of call on the ship's itinerary. Again, the interview pool was made up largely of people on excursion buses and is therefore biased towards passengers who take excursions. According to the BTB, approximately 85% of all cruise passengers choose to disembark; and 60% of these individuals then purchase tours while onboard the cruise ship.¹²¹ Using this figure, it can be estimated that in 2005 when 800,331 cruise passengers arrived in Belize, approximately 408,169 purchased shore excursions from cruise lines. About 18.2% of the passengers who disembark in Belize (or 123,811 passengers) purchased their tours onshore either through operators in the Village or independent guides outside the Village.¹²² The remaining 21.8% of disembarked passengers (or 148,301 individuals) walked around the Tourism Village and Belize City.

When cruise tourists visit Belize, they engage in a variety of recreational activities, and many engage in multiple activities while onshore. The most popular activities for cruise visitors to Belize were shopping, a city tour, a visit to Mayan archeological sites, cave tubing, a trip to the beach, hiking or walking in the rainforest, and snorkeling (Table 3.4). While shopping nearly always ranks as the top activity for cruise passengers in any port, cruise tourists in Belize also showed preference for activities for which the country is internationally known: more than one-third of cruise tourists visit archeological sites, go

117 Belize Tourism Policy. (2005 March). Belize Tourism Board, 7.

118 Retrieved from www.carnival.com/ShoreExcursionsSearchResults.

119 Russell, D.M. and Launchpad Consulting. (1998). A Tourism Strategy for Belize, 7

120 Personal communications with tour operators and BTB officials, August 2-9, 2006.

121 Personal communication, Anthony Mahler, BTB Director of Product Development, August 2-9, 2006.

122 Personal communication, Anthony Mahler, BTB Director of Product Development, August 2-9, 2006. Central Bank of Belize. (2005, November). "2003 Visitor Expenditure Survey," 24.

cave tubing and the to beach, and about one-quarter go snorkeling, on a river cruise or boat tour (Table 3.4).

Table 3.4: Cruise tourist activities and excursions in Belize

Activity	% Participating	Rank	Activity	% Participating	Rank
Shopping	47%	1	National Park visit	15%	12
Visit archeological sites	42%	2	Horseback ride	5%	13
City Tour	39%	3	Drive for pleasure	3%	14
Cave tubing	38%	4	Attend local music/ dance	3%	15
Beach	35%	5	Scuba dive	3%	16
Hike/ walk	30%	6	Canopy tour	3%	17
Snorkel	28%	7	Farm/ ranch	3%	18
Boat/boat tour	22%	8	Bicycle/ Mt. Bike	2%	19
River tour	21%	9	Sport fishing	2%	20
Museum/ zoo visit	17%	10	Surf/ boogie board	0%	21
Wildlife watching	15%	11	Windsurf	0%	22

Most of these onshore activities involve spending money in the Belizean economy. Community economic development is driven by the amount of money spent in the local economy (referred to as “drop”), the proportion of local content in the goods and services purchased, and the distribution of those expenditures through the local economy (or “multiplier”). Respondents were asked about their expenditures in Belize, including tour expenditures, local arts and crafts, duty-free shopping, transportation, food and drink, event tickets, entrance and/or license fees. What follows is an analysis of the impact of various expenditures on Belize’s economic development.

Tour Expenditures

In analyzing the data, questions about tour expenditures were separated from other expenditures because of the strong possibility that tours are purchased onboard the ship. Tours in Belize that are purchased onboard or online (via the company website) undergo a markup by cruise lines which several of those involved in cruise tourism as well as BTB officials said is typically 100%.¹²³ Under this arrangement, it is estimated that over half of the purchase price accrues to the ship while the other half accrues to

¹²³ Personal communications with port agents and tour operators, August 6-8, 2006.

the tour operator.¹²⁴ As CESD research and other studies at other ports indicate, such pricing practices are widespread in the cruise industry. In Belize, the markup varies considerably and is sometimes far higher than 100%. Cave tubing, for example, is sold by tour operators for US \$35 to cruise lines, who then markup the package to US \$93—almost a three-fold increase (Table 3.5). Based on data collected regarding tour pricing, the average price that Carnival charges a cruise passenger for a tour in Belize is US \$62.50 (Table 3.5). However, the average price that Carnival pays its contracted tour supplier, Bel-Cruise, per passenger is US \$27.67—a markup of over 2.25 times or 126%.

Table 3.5: Prices of Tours Sold to Cruise Visitors in Belize by Vendor Type

Tours	Carnival Tour Prices	Onboard Tour Operators' Earnings*	Onshore Tour Operators' Earnings**
Altun Ha and Belize City Tour	US \$55	US \$25	US \$45
Cave Tubing	US \$93	US \$35	US \$65
Xunantunich	US \$79	US \$37	US \$70
Baboon Sanctuary and Belize City Tour	US \$49	US \$26	US \$35
Belize City Tour	US \$41	US \$15	US \$25
Belize Zoo and City Tour	US \$58	US \$28	US \$45
Average	<i>US \$62.50</i>	<i>US \$27.67</i>	<i>US \$47.50</i>

*This is the amount that Bel-Cruise earns for supplying cruise visitors with tours. From this amount, Bel-Cruise must pay all expenses (e.g., transportation costs, gas, salaries, entrance fees, etc.), leaving a small margin of profit.

**This is the amount that local onshore tour operators, such as members in the Belize Taxi and Tour Guide Association, charge for supplying independent cruise visitors with tour packages purchased onshore.

In contrast, when tours are purchased onshore the tour company may capture 100% of the purchase price (or somewhat less if they are required to pay a concession to the port authority). Purchase prices for tours sold onshore range from US \$25 to US \$70.¹²⁵ (This does not take into consideration the monthly fees charged tour operators by the Tourism Village or the US \$1.25 per person fee charged tour operators for each of their patrons.¹²⁶) Cave tubing, for example, costs US \$65 if purchased through tour operators in the Village. The average tour price paid by independent cruise passengers to onshore tour operators is US \$47.50—or 76% of what they might expect to pay to Carnival for similar tours (Table 3.5).

124 Dr. Palacio, V. (Jan. 21, 2006). Belize Cruise Study Workshop. Stanford, CA.

125 Tours sold inside the Tourism Village are slightly more expensive than tours sold outside the Tourism Village. Prices are not affected by season but are constant all year-round. Personal communications with Village tour operators, August 6-9, 2006.

126 This fee is charged by the Tourism Village to all tour operators for every individual that participates in a tour purchased from the Village.

In our survey sample, 93% of the tours to visit Belize were purchased onboard the ship, at an average cost of US \$78. Based on the aforementioned data, the ship will capture about 56% of the price of tours purchased onboard, and these expenditures are not equal to direct local economic impact. Instead, we expect the amount that the local tour provider earns (i.e., 44% of the cost of tours)—approximately US \$34.32 per cruise tourist—as contribution toward the Belizean economy. Given that 85% of cruise tourists chose to disembark in Belize, and 60% of these passengers purchase their tour onboard, the contribution of these onboard tour purchases to the local Belizean economy could be estimated at US \$14 million for 2005, based on 800,331 cruise tourist arrivals registered by the Belize Tourism Board.¹²⁷ Some US \$17.8 million, therefore, accrues to the cruise line for brokering these services.¹²⁸

Onshore tour purchases, however, are 76% of the cost of onboard tour purchases. Our survey data revealed an average onboard tour purchase price of US \$78, which would imply an onshore tour purchase price of US \$59.28. *The difference in local impact between onboard tour purchases and onshore tour purchases is US \$24.96, or 32% of the US \$78 average tour price.* For those 123,811 individuals who purchased tours onshore—estimated at an average cost of US \$59.28—their contribution of US \$7.3 million remains primarily within the local economy. Thus, the total direct economic impact from tour purchases is estimated at US \$21.3 million.¹²⁹ From these calculations we can extrapolate that all 680,281 disembarked passengers pay, on average, US \$31.31 in direct contribution to the Belizean economy through tour purchases.¹³⁰ Further still, of all the passengers that visited last year (800,331), it can be said that each individual contributed, on average, US \$26.61.¹³¹

In various ways, passengers are encouraged to purchase shore excursions from the cruise lines. While Carnival's website states, "you are not obligated to book shore excursions through Carnival in order to leave the ship," it goes on to point out that "one of the many benefits of booking excursions through Carnival is a guarantee that the ship will remain in port until all guests are back onboard. Carnival will not be aware of shore excursions that are booked independently." In other words: you may be left behind if you don't buy from Carnival. At another point, the language is even more direct: "Carnival recommends that guests do not engage in excursions, tours or activities that are not sold through Carnival as Carnival has no familiarity whatsoever with those services or their operations."¹³²

Despite the pressure to buy tours online or onboard from Carnival and the hefty mark-up, Carnival gives *no guarantees* of good service. Carnival's website states that it is "not responsible" for problems ("any losses, damage, death, injuries, or claims") passengers

127 This figure is calculated by multiplying total cruise visitors to Belize in 2005 (800,331 visitors) by the rate of disembarkation (85%) by the percentage of disembarkers purchasing tours onboard (60%) by the amount of the tour purchase price that remains with tour companies (\$34.32).

128 This figure is calculated by multiplying total cruise visitors to Belize in 2005 (800,331 visitors) by the rate of disembarkation (85%) by the percentage of disembarkers purchasing tours onboard (60%) by the amount of the tour purchase price that is absorbed by cruise lines (\$43.68).

129 This figure is calculated by adding approximate direct contribution of onboard tour purchases (\$14 million) with approximate expenditures on onshore tour purchases (\$7.3 million).

130 This number is calculated by dividing total direct contribution (\$21.3 million) by all passengers that disembarked in 2005 (680,281).

131 This number is calculated by dividing total direct contribution (\$21.3 million) by all cruise visitors in 2005 (800,331).

132 Carnival Corporation. (n.d.). Shore Excursions Terms and Conditions. Retrieved June 23, 2006 from Carnival Web site:

www.carnival.com/CMS/Static_Templates/ShoreExcursionsTC.aspx

encounter with “shore excursions booked online, sold onboard or sold by third parties ashore.” In other words, the only thing that Carnival guarantees is that the cruise line will not leave port before passengers who booked through Carnival are back onboard.

Furthermore, cruise spending mostly goes directly back to the ship while stayover visitors spend locally in Belize for lodging, food and beverage, and entertainment.

Even more astounding, Carnival’s “Terms and Conditions” for shore excursions states, “Carnival sells tickets for all excursions *as a convenience only*.” In fact, shore excursions are a significant revenue earner for the cruise lines: as the above figures indicate, in Belize alone the cruise lines earned almost 18 million¹³³ from shore excursions in 2005.

Non-Tour Expenditures

Non-tour local expenditures are reported in two ways. An overall calculation is provided, including all zero and positive value responses (Table 3.6a). Excluding tour expenditures, a cruise tourist can be expected to spend between US \$20 (median) and US \$48.18 (mean) in Belize. In addition, a calculation based only on positive value responses is presented (Table 3.6b). Approximately 89% of respondents spent some money apart from any tour expenditures they might have had, thus reporting a nonzero response to the total expenditures category; among these respondents, the average expenditure can be expected to be between US \$26 (median) and US \$54.36 (mean).¹³⁴

Table 3.6a: Amount spent (per person) while off of the ship, in US \$ 2005 (excluding tour purchases) – All responses

All responses	Mean	Median	Mode	Max	Min
Total	48.18	20	20	940	0
Other gifts/ souvenirs	12.55	0	0	300	0
Food & drink	10.56	5	0	300	0
Local arts & crafts	9.22	0	0	300	0
‘Duty-free’ shopping	8.73	0	0	600	0
Event tickets, entrance &/or license fees	3.53	0	0	400	0
Local transportation	0.45	0	0	50	0

¹³³ This figure is calculated by multiplying total cruise visitors to Belize in 2005 (800,331 visitors) by the rate of disembarkation (85%) by the percentage of disembarkers purchasing tours onboard (60%) by the amount of the tour purchase price that is absorbed by cruise lines (\$43.68).

¹³⁴ The crosswalk between information in Table 3.6a and Table 3.6b involves the percentage of survey-takers reporting nonzero answers (column 2 in Table 3.6b). For example, means in Table 4.5a can be obtained by multiplying means in Table 3.6b by “% reporting”.

Table 3.6b: Amount spent (per person) while off of the ship, in US \$ 2005 (excluding tour purchases) – Nonzero responses

Nonzero responses	% Reporting	Mean	Median	Mode	Max	Min
Total	89	54.36	26	20	940	1
Other gifts & souvenirs	41	30.63	20	10	300	1
Food & drink	64	16.60	10	10	300	1
Local arts & crafts	32	29.13	20	10	300	1
Duty-free shopping	19	45.87	25	20	600	1
Events tickets	6	61.85	15	10	400	1
Local Transportation	3	16.9	10	10	50	5

According to the survey results, cruise tourists' gift and souvenir purchases average US \$12.55 overall, and the 41% of respondents who purchased gifts and souvenirs reported an average expenditure of US \$30.63. Food and drink expenditures while in Belize were US \$10.56 per tourist, on average, and US \$16.60 among the 64% of cruise tourists who reported expenditures in this category. About one-third of cruise tourists report purchasing an average of US \$29.13 in local arts and crafts, creating an overall average expenditure of US \$9.22 on arts and crafts.

Only about one-fifth of cruise tourists to Belize report duty-free shopping expenses. Duty-free shopping is separated from other shopping expenditures due to the extremely high proportion of non-local content in most duty-free items. For instance, a tourists' purchase of a US \$150 Swiss watch at a duty-free store does not contribute anywhere near US \$150 to the Belizean economy. In contrast, a large portion of a US \$150 painting by a local artist would logically return to benefit the local economy. In this study, the overall average expenditure on duty-free items is US \$8.73. This figure appears surprisingly low (given that BTB data show the minimum per passenger expenditure on duty-free items as US \$16.54)¹³⁵ due to the fact that only one-fifth of cruise tourists surveyed made duty-free purchases in Belize. Given that this study's survey respondents were more likely to engage in tour activities, it may be that individuals experienced constraints on their time that prevented them from purchasing additional duty-free items. However, there is no clear evidence to indicate that passengers who decide not to participate in a tour are likely to spend more or less than their counterparts who did purchase a tour. Thus, it seems reasonable to consider expenditure findings as representative of all disembarked passengers for the purposes of this study.

The average among those reporting duty-free expenditures is US \$45.87 and the median was US \$20 (Table 3.6b). Compared with many Caribbean cruise ship destinations, Belize is not a significant port for duty-free shopping. As detailed below, passengers list duty-free shopping as fourteenth in a long list of activities, although shopping in general remains their number one activity. Since so much of the money from duty-free shops goes out of the country, Belize is wise not to promote this type of tourism activity.

¹³⁵ Personal communication, Vincent Palacio, University of Belize, January 2006.

Very few (6%) respondents report expenditures in event tickets, entrance fees and license fees—bringing the overall average down to US \$3.53. One important reason is that tour packages generally include these fees. However, those who did report purchases in this area averaged some US \$61.85 per person. Similarly, very few (3%) cruise tourists report local transportation costs, accounting for US \$0.45 of the overall average expenditure and US \$16.19 among those who reported purchases in this category (Tables 3.6a & 3.6b). Again, this figure makes sense because local transportation is included in tour excursion packages.

An admittedly simplified, but still useful, number is the average total individual expenditures in Belize during a cruise-based visit. To the estimated amount spent while off the ship—US \$ 20 (median from Table 3.6a)—we add the average local contribution of tours per disembarked passenger—\$US 31.31—to obtain an approximate figure: US \$51.31 per disembarked cruise visitor in total expenditures in Belize; or *US \$44 in total expenditures per cruise visitor*.¹³⁶ This figure represents the portion of cruise passenger expenditures that contributes to the Belize economy (Figure 3.1).

In an independent study, the Central Bank of Belize found the average expenditure of BZ \$85 (or US \$ 42.50) for a disembarked cruise visitor to Belize remains locally.¹³⁷ (This survey was administered to 4,206 cruise passengers throughout 2003 and assumed that 80% of onboard tour purchase prices remain with the cruise lines.) While remembering its very approximate nature, this figure can reasonably be compared with total expenditures in Belize for other types of tourists.

Assuming conservative expenditures of US \$20¹³⁸ (excluding tours) from our study, cruise tourists would appear to have contributed approximately US \$13.6 million in additional direct expenditures to the Belizean economy in 2005.¹³⁹ In addition to an estimated US \$21.3 million in direct expenditures for tours, total cruise tourist expenditures are calculated at approximately US \$34.9 million for Belize in 2005. *Based upon multiplier estimates (1.40) from Costa Rica, the total annual economic benefit from cruise tourists to Belize in 2005 is estimated to be US \$48.9 million in direct, indirect and induced economic activity.*

136 This figure is calculated by multiplying estimated total expenditures for disembarked passengers (\$51) by the number of disembarked passengers for 2005 (680,281) and then dividing by all cruise visitors for 2005 (800,331).

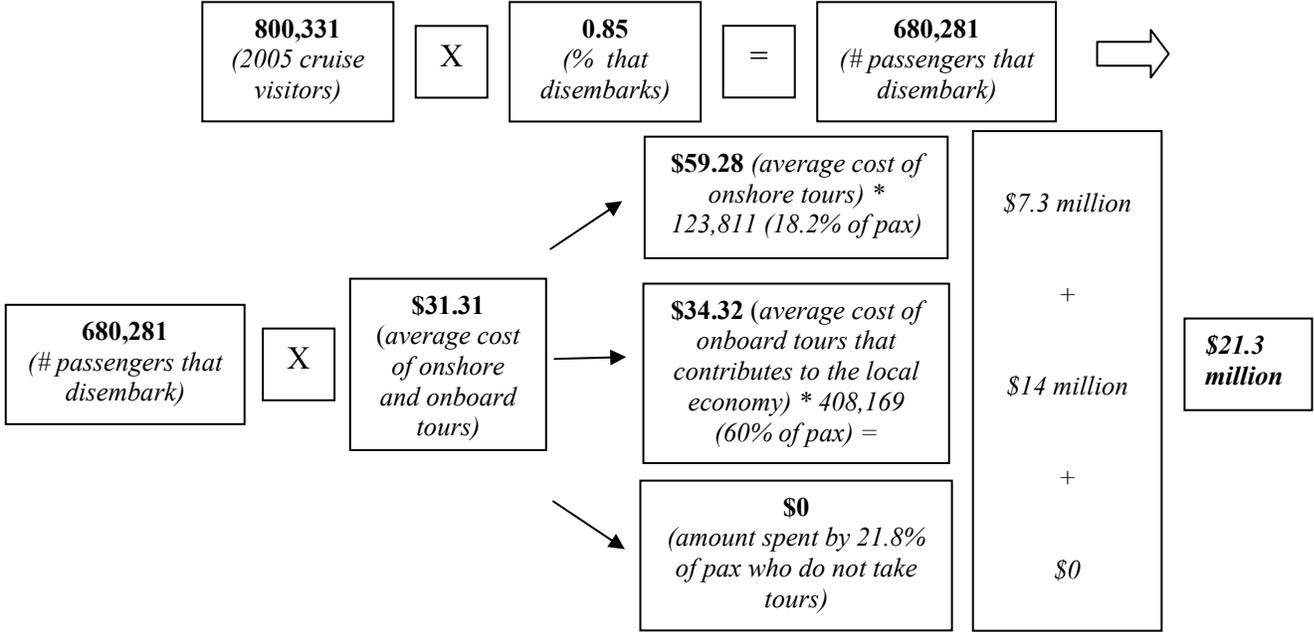
137 Central Bank of Belize. (2005, November). 2003 Visitor Expenditure Survey, 5.

138 This figure represents the median of all responses to the question on total onshore expenditures (see Table 4.5a).

139 800,331 cruise passenger arrived in 2005 according to BTB statistics, and approximately 85% of these arrivals disembarked and contributed to direct expenditures in Belize.

$$\text{Average Expenditure Per Cruise Passenger} = (A + B) / \text{total \# cruise passengers}$$

$$\text{Tour Expenditures (A)} = \# \text{ passengers purchasing tours} * \text{average cost of tours}$$



$$\text{Additional Expenditures (B)} = \# \text{ cruise passengers disembarking} * \text{average expenditure (not including tours)}$$

$$800,331 \text{ (2005 cruise visitors)} \times 0.85 \text{ (\% that disembark)} \times \$20 \text{ (average expenditure)} = \$13.6 \text{ million}$$

$$\text{Average Expenditure Per Cruise Passenger} = (A + B) / \text{total \# cruise passengers}$$

$$(\$21.3 \text{ million (A)} + \$13.6 \text{ million (B)}) = \$34.9 \text{ million Total Expenditures} \div 800,331 \text{ (2005 cruise visitors)} = \$44 \text{ per passenger}$$

Figure 3.1: Illustration of Cruise Tourist Expenditure Calculations.

Factors Influencing Cruise Tourists' Decision to Disembark in Belize

From both marketing and economic development perspectives, it is useful to know what draws people to disembark at a particular port of call. Since such a high proportion of cruise tourists are first-time visitors to Belize, their decision to leave the ship must be based on word of mouth, marketing materials, reputation and additional visitor research. Since the surveys were carried out when tourists were returning to the ship, results were more likely to measure visitor experiences mixed with visitor preconceptions.¹⁴⁰

Using a five-point Likert scale once again, respondents were asked to evaluate the relative importance of natural features, traditional culture and historical features, contemporary services, and factors that contribute more generally to the ease and enjoyment of the travel experience anywhere. Cruise tourists indicated that friendly people, personal safety, scenic landscapes, cleanliness, and general affordability were the most important reasons for disembarking in Belize, with each item ranking between important and very important on the five-point scale. Thus, four of the top five reasons to disembark in Belize are features that all destinations can and should aspire to, with the possible exception of affordability (Table 3.7).



*Tenders transporting cruise passengers to the Fort Street Tourism Village.
Courtesy of the BTB.*

Four of the top ten reasons to disembark in Belize were features associated with the natural environment: 1) scenic landscapes, 2) national parks and protected areas, 3) beaches, and 4) coral reefs each ranked in the 'important' range. On the other hand, farms and ranches, entertainment and nightlife, the quality of local medical or dental services, solitude and duty-free shopping were the least important features motivating

¹⁴⁰ In order to accurately measure reasons for disembarking in Belize, it would be necessary to interview passenger onboard the cruise, before they get off the ship in order to find out their preconceived notions and motivations.

tourists to disembark from the ship. Each item ranked in the neutral range of the five-point scale (Table 3.7).

These results are interesting if viewed in conjunction with the information that tourists provided about their activities in Belize. For example, although many people indicated that they went shopping and toured the city (Table 3.4), duty-free shopping—the staple of many Caribbean ports of call—is not a strong activity: only about one-fifth of passengers reporting they engaged in it (Table 3.6) and it ranked only 14th among factors contributing to their decision to disembark (Table 3.7). These findings appear to defy the conventional wisdom that ports are attractive to passengers only if they offer duty-free shopping. Moreover, they raise questions about the wisdom of plans to expand duty-free shopping in Belize as part of the Carnival Cruise pier development. Belize has the highest percentage of passenger disembarkation in the Caribbean, a large percentage of who go on nature and culture excursions; and, as explained in the following section, there is a high level of visitor satisfaction. It is the quality of the natural environment and other features that seems to strongly influence tourists' decision to disembark in Belize. Thus, the attraction of the Belizean tourism experience to cruise visitors is largely in keeping with Belize's tourism image and stated goals, not simply the availability of duty-free shopping.

Table 3.7: Factors contributing to cruise tourists' decision to disembark in Belize

Feature	Mean Score	Rank	Feature	Mean Score	Rank
Friendly people	4.40	1	High quality restaurants	3.61	10
Personal safety	4.31	2	Local art & crafts	3.53	11
Scenic landscapes	4.21	3	Interesting architecture/ built infrastructure	3.52	12
Cleanliness	4.20	4	Local music, dance or customs	3.48	13
General affordability	4.14	5	"Duty-free" shopping	3.45	14
Quality of national parks & protected areas	3.89	6	Solitude/ lack of crowds	3.43	15
Quality of beaches	3.80	7	High quality services (medicine, dentistry)	3.16	16
Interesting/ high quality food	3.77	8	Entertainment/ nightlife	2.93	17
Quality of coral reefs	3.75	9	Farms & ranches	2.79	18

Note: Rankings based upon a 5-point Likert scale where 5 is the highest ranking (very important), 3 is neutral and 1 is the lowest ranking (very unimportant)

Cruise Tourists' Opinion of Belize

Tourists were asked to respond to five questions intended to assess their opinion of their experience in Belize. It has been argued that relatively brief visits to a country on a cruise ship will generate longer term, and more financially beneficial, future visits. As a result, tourists were asked to rate the following: their general level of satisfaction with their visit; the likelihood that they would return to Belize either on a cruise ship or on a non-cruise vacation; and the likelihood that they would recommend a visit to Belize to their friends.

Overall, the cruise visitors in our sample were very pleased with their experience in Belize, and many indicated that they were quite likely to return on a future cruise vacation. Moreover, they would recommend to their friends that they also visit Belize on a cruise (Table 3.8). Some three-quarters indicated that they were either satisfied or very satisfied with their visit to Belize. About two-thirds indicated that they were either likely or very likely to return on a cruise vacation, and almost 80% indicated they would recommend a cruise including Belize as a port of call to their friends.

However, respondents were more divided about a potential visit to Belize on a non-cruise vacation for themselves or for their friends (Table 3.8). *Less than one-third of visitors indicated they were likely or highly likely to return to Belize on a non-cruise vacation, and only a similar number indicated they would recommend Belize to their friends on a non-cruise vacation.* On the other hand, more than one-third indicated that they were unlikely or highly unlikely to return to Belize on a non-cruise vacation, and about one-third were unlikely or highly unlikely to recommend Belize to their friends for a non-cruise vacation.

These numbers are important, since both the cruise industry and government have argued that one of the benefits of cruise tourism is that it leads to passengers returning as stayover tourists. In the stakeholder interviews (analyzed in Section 4) both a destination site manager and a BTIA official stated that it is hoped that a sizeable percentage of cruise tourists will sufficiently enjoy their day visit to Belize so as to return as stayover guests, injecting more foreign capital into the economy.¹⁴¹ The 2000 Belize Cruise Ship Policy proscribed the institution of promotional programs such as coupons for future in-country travel that would encourage cruise passengers to return as overnight visitors. However, according to 2005 CESD/INCAE survey results:

- a. Two-thirds of passengers indicated that they are likely to return again as cruise tourists.
- b. But only one-third are likely to return as stayover tourists.

Further, as detailed below, the 2003 survey indicates that less than one in five vacationers had previously visited Belize, and this is a *lower* percentage than in 2000.¹⁴²

¹⁴¹ Hon. Espat, M. (2004). Keynote Address.; Greenwood, T. Cruise Tourism Impact Forum. (This sentiment was expressed by a destination site manager as well as the Executive Director of the BTIA.)

¹⁴² Belize Tourism Board. (2003). Visitor Expenditure and Motivation Survey. Report and survey questions. Unfortunately, the study does not say what percentage had visited Belize previously on a cruise.

These findings call into question the likelihood of cruise trips leading to return visits as stayover tourists since most cruise passengers prefer to continue traveling on cruise ships. As Tourism Minister Espat told the Cruise Tourism Impact Forum in 2004, “to date, there is no evidence that this new exposure for Belize, the ‘fam trip’ effect of cruise tourism’s explosion, has carried over to spur any growth for overnight tourism.” He added that despite the large numbers of cruise passengers, they “have not yet translated into double-digit growth for overnight tourism.”¹⁴³ Given the importance the government and tourism industry has placed, over the years, on converting cruise into stayover visitors, it is recommended that both the airport and cruise passenger surveys be used to systematically track the effectiveness of Belize’s coupon campaign and to accurately measure the percentage of cruise passengers who return for stayover holidays.

Table 3.8: Cruise tourists’ evaluation of their Belizean experience

	N	Mean	Median	Mode	St Dev
How satisfied are you with your visit?	602	4.06	4	5	0.87
How likely are you to visit again on a future cruise?	601	3.83	4	5	1.09
How likely are you to visit on a non-cruise vacation?	585	2.77	3	3	1.31
How likely are you to recommend to friends that they visit on a cruise?	596	4.15	4	5	0.98
How likely are you to recommend to friends that they have a non-cruise vacation here?	588	3.01	3	3	1.33

Note: Rankings based upon a 5-point Likert scale, where 5 is the highest ranking (very satisfied or very likely, as appropriate), 3 is neutral and 1 is the lowest ranking (very unsatisfied or very unlikely, as appropriate)

While it is encouraging that the majority of passengers surveyed were pleased with their experience in Belize, it is important to note that they were almost all on excursions. There are indications that passengers who stay within the Tourism Village or Belize City are less satisfied.

Sensitivity to Changes in Travel Costs

In the survey, cruise passengers were also asked to evaluate their relative sensitivity to changes in the costs of cruise vacations. According to common practice, respondents were presented with a feasible reason or reasons for costs to increase without changing the quality of the experience (e.g., fuel costs) as well as thirteen feasible bid categories from which to choose (in what is called a ‘payment card’ approach). Cruise tourists were asked to choose the maximum amount they would have been willing to pay for this cruise vacation from bids ranging from zero to US \$2,300 per person. They were then

143 Hon. Espat, M. (2004). Keynote address.

asked the same question in regard to their decision to disembark in Belize, but with bids ranging from zero to US \$500 per person (which roughly reflect current expenditure ranges in Belize).

Responses to the question regarding tourists' sensitivity to increases in travel costs for this cruise vacation were appropriately arrayed throughout the range of potential bid amounts on the payment card (Table 3.9). Some 70% of responses fell in the four bid categories between US \$50 and US \$250, fewer than 10% of responses were zero (providing little indication of substantial "protest" bids), and fewer than 2% of responses were in the upper 3 bid categories (providing evidence that we are capturing a substantial amount of the remaining value of this cruise experience to respondents).

Table 3.9: Maximum increase in total costs per person and still take this cruise

Bid US \$ 2005	N	%	Cumulative %
0	52	9%	9%
25	40	7%	16%
30	1	0%	16%
50	59	10%	26%
100	160	27%	54%
150	88	15%	69%
250	105	18%	87%
400	27	5%	91%
600	20	3%	95%
850	12	2%	97%
1100	10	2%	99%
1400	4	1%	99%
1800	2	0%	100%
2300	2	0%	100%

It is expected that cruise tourist responses to a parallel question on their sensitivity to increases in costs to disembark in Belize would be similar but lower in magnitude. The responses to this question may be important in establishing policies with regard to per head charges assessed on cruise ships by port authorities. Here again, about two-thirds of responses were within the middle bid ranges, a relatively modest number of zero bids, and very few bids at the very high end of the bid range. Most port-cost sensitivity bids fell between US \$10 and US \$50. Given what we now know about how much cruise passengers spend in Belize, these bid amounts appear appropriate (Table 3.10).

Table 3.10: Maximum increase in total costs per person to still disembark in Belize

Bid US \$ 2005	N	%	Cumulative %
0	65	11%	11%
5	42	7%	18%
10	104	18%	36%
25	157	27%	63%
50	105	18%	81%
75	12	2%	83%
100	63	11%	94%
150	9	2%	95%
200	14	2%	98%
300	6	1%	99%
400	0	0%	99%
500	8	1%	100%

The average willingness to pay for increases in cruise costs and costs of disembarking can be derived from these bids. The potential impact of policies designed to capture this surplus value can then be estimated. Cruise passengers indicated they were willing to absorb an average of US \$100-\$200 per person and still choose to take the cruise. Analogously, they were willing to consider an increase in cost of US \$25-\$50 per person to disembark in Belize (Table 3.11). A policy that effectively extracts this additional cost from cruise tourists is potentially worth some US \$17 to US \$34 million in 2005. These numbers are using the 85% disembarkation rate for 2005, or 680,281, because only people who disembarked can be assessed willing to pay more for the same service.

Table 3.11: Measures of sensitivity to changes in cruise costs and willingness to pay for conservation in Belize

	N	Mean	Median	Mode
Max WTP for cruise vacation	582	201.43	100	100
Max WTP for Belize	584	47.22	25	25
Max WTP for Belizean culture & nature	588	42.92	25	25
% for culture	528	43.78	50	50
% for nature	528	56.22	50	50

Willingness to Support Local Conservation

In addition to evaluating their sensitivity to increases in travel costs and costs of disembarking in Belize, cruise passengers were asked about their willingness to financially protect the natural and cultural environment of Belize. Again, cruise tourists were confronted with a reasonable policy (local government investment in environment

and culture), a payment vehicle (a mandatory per head tourist tax), and a feasible range of potential bid amounts (US \$0-\$500 per person). In addition, respondents were asked to divide their total bid into the proportion to be dedicated to nature and the proportion to be dedicated to local culture. Responses were logically expected to be lower in magnitude than either of the previous two bid amounts. The degree to which the willingness to pay for the conservation of Belizean culture and nature is similar to the willingness to pay to disembark in Belize indicates the extent to which the decision to visit Belize is driven by extant natural environmental and cultural factors.

Here again, the frequency distribution of bid amounts provided by respondents is encouraging. Some 75% of the bids fall between US \$5 and US \$50, zero bids are relatively few, and fewer than 2% of responses were in the upper three bid categories (Table 3.12). Tourist responses were very similar to their willingness to absorb additional costs to disembark in Belize: ‘nature and culture’ responses averaged between US \$25 and US \$45 per person per trip and amounted to some 90% of their average overall bid to visit Belize. *One potential interpretation of this information is that the cultural and natural environment of Belize is the principal reason that cruise tourists will get off of the ship at all.* Respondents allocated their willingness to pay somewhat more strongly toward nature (56.22% of \$42.92 or \$24.13) than to culture (43.78% of \$42.92 or \$18.79) (Table 3.11). Given what is now known about cruise tourist behavior while in Belize, these allocations appear to appropriately reflect their values. Based upon 2005 visitation totals, cruise tourists to Belize would have been willing to contribute some US \$29.2 million toward environmental (\$16.4 million) and cultural (\$12.8 million) improvements in Belize.¹⁴⁴

Table 3.12: Maximum willingness to pay for investment in Belizean culture and nature

Bid US \$2005	N	%	Cumulative %
0	43	7%	7%
5	57	10%	17%
10	135	23%	40%
25	153	26%	66%
50	94	16%	82%
75	25	4%	86%
100	51	9%	95%
150	10	2%	97%
200	8	1%	98%
300	4	1%	99%
400	2	0%	99%
500	6	1%	100%

¹⁴⁴ Based on 85% disembarkation rate of 2005 cruise arrivals.

Comparisons of Cruise and Stayover Tourists

As part of this research project, we endeavored to compare the expenditures in Belize of cruise passengers and stayover tourists. The time constraints of the study, however, required our focus on cruise passengers alone for data collection. For information on stayover tourists we turned instead to data and analysis from government and industry studies—most importantly from exit surveys done by the Belize Tourism Board and Central Bank of Belize. In Belize, the principle instrument for surveying stayover passengers has been a survey known as the “Visitor Expenditure and Motivation Survey” or VEMS, which is carried out every three years. The most recent survey with departing international travelers at the international airport and border crossings was completed in 2003, providing a basis to compare stayover tourists’ activities, expenditures, and preferences with cruise passenger data from our surveys.

Unlike cruise tourism, stayover tourism has grown gradually, in line with the projections recommended in the 1998 Blackstone Report. Most stayover tourists arrive via air (Table 3.13). Numbers of air travelers have risen from 108,568 in 1998 to 174,636 in 2005. Foreigners using airport facilities are required to pay a US \$36.25 departure tax (up from US \$20 prior to 2004 and US \$35 beginning April 2004) of which US \$3.75 is destined for Belize’s Protected Areas Conservation Trust (PACT). Passengers on private planes are also required to contribute US \$36.25 in addition to landing and parking fees. Visitors departing Belize by way of a border crossing are obligated to pay US \$18.75, including US \$3.75 for PACT (Figure 3.3).¹⁴⁵ Multiplying the number of departures by the PACT tax amount shows that these taxes represent over US \$850,000 in yearly revenue for conservation within Belize.

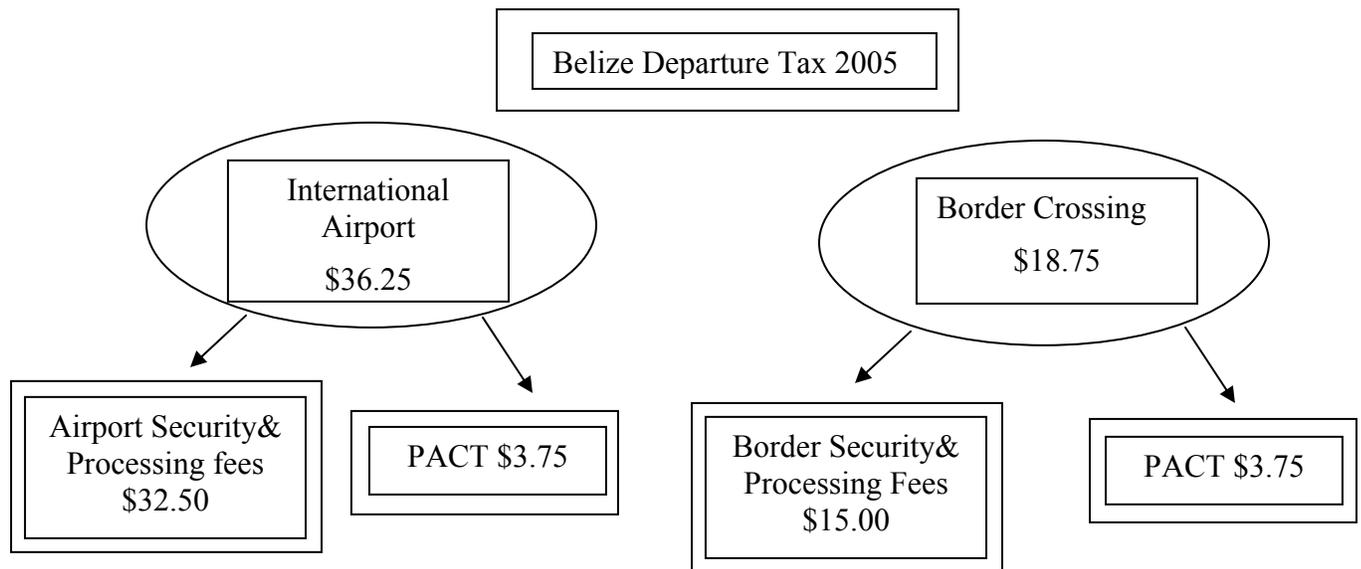


Figure 3.3: Belize Departure Tax, 2005.

¹⁴⁵ BTB staff, phone interviews, April 2006.

Stayover tourists and the tourism industry pay a variety of other taxes. These include:

- Hotel room tax: 9%; up from 7%, effective from mid-2005.
- Archeological Fees: US \$5 - US \$10, depending on site; up from US \$2.50, effective from April 2004.
- Marine Park Fee: US \$10 - US \$15 per day for anglers, snorkelers and divers in protected parks, depending on the reserve, effective from November 2004.
- National Sales Tax on most items: 10%; up from 9%, effective from July 1, 2006.¹⁴⁶
- Social security contributions by hotels: over US \$2 million per year.¹⁴⁷

Table 3.13: Stayover Tourist Arrivals by Mode of Arrival

Mode of Arrival	1998	1999	2000	2001	2002	2003	2004	2005
Air	108,568	115,089	131,683	133,775	129,675	151,978	162,675	174,636
Over land	56,490	55,859	54,761	53,467	61,645	60,154	60,019	54,096
Sea	10,996	9,847	9,321	8,713	8,201	8,442	8,169	7,841
Totals	176,054	180,795	195,765	195,955	199,521	220,574	230,832	236,573

Source: BTB, 2006. "Belize Tourism Statistics," www.belize tourism.org/arrival.html, accessed July 12, 2006.

Monthly visitor records to Belize demonstrate that peak season falls between December and April, with increased visitation numbers also visible from June through August (Table 3.14). This coincides with the peak season for cruise tourism as well (Table 1.2).

Table 3.14: Stayover Tourist Arrivals by Month

Month	1998	1999	2000	2001	2002	2003	2004	2005*
January	18,522	15,603	17,033	18,896	17,820	19,648	22,166	22,165
February	17,825	16,907	18,767	19,767	19,377	20,412	23,645	24,734
March	18,784	19,711	22,921	21,526	23,388	24,460	26,817	29,321
April	16,414	15,190	18,699	18,398	17,027	19,660	20,320	20,503
May	12,879	13,865	15,704	16,335	16,106	17,967	17,386	17,999
June	13,583	14,072	16,148	17,081	16,953	19,228	18,939	20,460
July	15,289	17,061	18,307	18,704	18,011	20,670	21,734	20,062
August	15,708	16,709	16,633	17,342	16,184	19,689	17,479	18,335
September	10,611	10,351	11,019	8,659	8,634	9,975	10,432	10,013
October	9,634	10,743	8,580	9,069	10,397	11,524	12,167	12,011
November	11,449	13,985	13,632	12,822	15,603	16,313	16,873	16,711
December	15,357	16,599	18,324	17,357	20,021	21,028	22,873	24,259
Totals	176,054	180,795	195,766	195,955	199,521	220,574	230,832	236,573

146 Personal communications with Anthony Mahler, BTB's Director of Product Development, August 1, 2006.

147 Geban, K. Yearwood, S. (Feb 20, 2006). Final Report: Status of Belize Overnight Accommodation Sector, 15.

Source: BTB, 2006. Tourist Arrivals, 1998-2004, email from Raymond Mossiah, April 4, 2006. "Belize Tourism Statistics", www.belize tourism.org/arrival.html, accessed July 12, 2006.

Stayover visitors to Belize are most commonly American or European citizens, but are more diverse than cruise passengers who are almost exclusively from North America. (Table 3.1) Since 1998, Americans have comprised over half of all stayover guests. In 2005, 145,977 Americans and 33,466 Europeans visited Belize (Table 3.15). However, Belize also hosts Caribbean and South American travelers.

Table 3.15: Stayover Tourist Arrivals by Nationality

Country of Origin	1998	1999	2000	2001	2002	2003	2004	2005
American	87,991	92,695	104,717	106,292	104,603	127,288	137,376	145,977
European	25,638	24,746	27,674	29,735	29,115	33,530	32,770	33,466
Canadians	9,416	8,430	9,205	9,492	9,185	9,831	11,925	13,580
Belizeans living abroad	13,104	14,545	14,106	12,999	11,896	7,799	7,698	7,705
Guatemalans	9,631	12,162	17,313	15,652	21,184	17,632	15,949	13,907
Mexicans	8,877	8,258	8,688	7,739	8,413	6,312	6,851	5,893
Other	21,397	19,959	14,062	14,045	15,126	18,182	18,272	16,045
Totals	176,054	180,795	195,766	195,955	199,521	220,574	230,832	236,573

Source: BTB, 2006. Tourist Arrivals, 1998-2004, email from Raymond Mossiah, April 4, 2006. "Belize Tourism Statistics", www.belize tourism.org/arrival.html, accessed July 12, 2006.

2003 Airport Survey Results

In 2003, the Belize Tourism Board and Central Bank of Belize conducted the exit poll or VEMS described in the previous section in order to ascertain stayover tourist characteristics, motivations and satisfaction. This poll provides useful information for assessing the spending habits and preferences of stayover tourists as they compare with cruise tourists. The 2003 Survey had a sample size of 2381 interviewees. Results released in 2004 showed that 53% of the sample was male and 64% were American citizens (Table 3.16). Moreover, the median age of respondents was between 30 and 39 years of age. In contrast, the cruise passengers surveyed were predominantly female and the mean age was 40 (Table 3.1).

Table 3.16: Stayover Tourists in Belize: Demographic Information

	No.	%
Male	1230	53%
US citizen	1517	64%
US or Canada citizen	1630	69%

Source: Belize Tourism Board. (2004). 2003 Visitor Expenditure and Motivation Survey.

The average length of stay in Belize was calculated from the VEM as 6.8 days. Most interviewees stated that they were traveling with companions or in a group; only 17% of those surveyed were traveling alone. Approximately 30% of visitors also indicated that they had visited or were planning on visiting another country during their current trip. In contrast, virtually all cruise passengers pass through multiple countries during their trip.

About one-quarter of respondents (including business and other categories) mentioned that they had visited Belize during a prior trip (Table 3.17). The survey noted, however, “vacationers indicated the least familiarity with Belize, with less than 1 in 5 leisure visitors reporting having visited Belize previously.” The survey asked specifically for the “mode of arrival” on any previous trip, including by cruise lines, but unfortunately, the statistics for this question were not included in the VEMS report since results were considered insignificant.¹⁴⁸ Thus, the indications are that the number is not very large, even as the numbers of cruise visitors are booming. In 2003, in fact, the trend appeared to be going in the opposite direction: the VEM survey found a 5% increase in first time visitors compared with the year 2000.

Table 3.17: Travel Habits of Stayover Tourists to Belize

How many...	N	%
...have companions	1968	83%
...will visit another country on this trip	700	29.4%
...visited before	567	24.2%

Source: Belize Tourism Board. (2004). 2003 Visitor Expenditure and Motivation Survey.

Most respondents indicated that they had found lodging in hotels (69%) or guest homes (16%) while few interviewees stayed with friends or relatives (10%) (Table 3.18). Belize currently charges a 9% tax on hotel stays that supplies revenue for the Belize Tourism Board. Thus, the majority of respondents, by staying in hotels, contributed to government earnings as well as local business earnings.

Table 3.18: Accommodation Habits of Stayover Tourists to Belize

Accommodation Category	N	%
Hotel	1632	68.5
Apartment/Villa/ Timeshare/Condominium	104	4.1
Guest House	377	15.8
Friend/ Relative	230	9.7
Fishing Lodge	40	1.7
Boat	41	1.7
Other (RV/Tent)	98	4.1

Source: Belize Tourism Board. (2004). 2003 Visitor Expenditure and Motivation Survey.

¹⁴⁸ VEMS survey questionnaire was obtained from the Central Bank of Belize.

Moreover, room revenue is spread throughout diverse locations in Belize. Although tourists tend to stay in the Belize District, Caye Caulker, Ambergris Caye and Cayo, many other visitors choose to seek lodging in other parts of the country (Table 3.19). Such distribution represents income generation for diverse areas and business. Cruise passengers, on the other hand, do not have time to visit remote areas of Belize. Furthermore, while cruise passengers do experience a wide variety of sites and activities near Belize City, the income generated from these tours is not widely distributed, remaining within a small number of tour operations.

Table 3.19: Accommodation Location of Stayover Tourist to Belize

Area	N	%
Belmopan	112	4.7
Belize District	622	26.1
Caye Caulker	626	26.3
Ambergris Caye	759	31.9
Cayo	592	24.9
Corozal	150	6.3
Orange Walk	176	7.4
Stann Creek	199	8.4
Placencia	294	12.3
Toledo	96	4.0
Other Island	150	6.3
Other Areas	31	1.3

Source: Belize Tourism Board. (2004). 2003 Visitor Expenditure and Motivation Survey.

As for tourist activities, the majority of VEM survey-takers (57%) mentioned their participation in snorkeling (Table 3.20). Other popular activities in Belize included: an Island Tour (28%), diving (24%), a River Trip (24%), jungle excursions (23%), and caving (20%). Due to restrictions in time, cruise passengers tend to enjoy activities that are easily accessible. They enjoy shopping (47%), city tours (37%), and a range of natural and cultural tours including archaeology (37%), boating (22%), snorkeling (28%), hiking (30%), and cave tubing (23%) (Table 3.4). There is, therefore, a considerable overlap in the activities of stayover and cruise passengers. As discussed later, this has led to overcrowding and other problems in some of Belize's most popular and ecologically vulnerable sites.

Table 3.20: Stayover Tourist Activities in Belize

Activities	N	%	Activities	N	%
Snorkeling	1362	57.2	Fishing	341	14.3
Island Tour	665	27.9	Birding	308	12.9
Diving	579	24.3	Cultural Event	304	12.8
River Trip	564	23.7	Other	243	10.2
Jungle	545	22.9	Activities		
Caving	467	19.6	Sailing	225	9.4
Canoeing	358	15.0	Camping	141	5.9

Source: Belize Tourism Board. (2004). 2003 Visitor Expenditure and Motivation Survey.

Regarding trip satisfaction, the majority of respondents who rated components of their trip felt that all items were “good” (Table 3.21). About 10% of respondents who voiced opinions about airline connections, value for money, and entertainment found those components “poor”. However, over 80% of those who had opinions on national parks and reserves, marine attractions and Maya sites perceived those attractions to be “good.”

Almost a quarter of stayover tourists had visited Belize before (Table 3.17). And, 79% of respondents indicated that they would visit Belize again in the future; 82.6% mentioned that they would recommend a friend or relative visit Belize.¹⁴⁹

Table 3.21 Frequency Distributions (Percentage) of Stayover Tourists’ Rating of Components

	Good %	Average %	Poor %	Not Stated %
Service Components				
International Airline Connection	74.6	18.8	2.4	4.2
Immigration	70.1	21.5	2.1	6.3
Customs	70.8	21.0	2.1	6.2
Safety	61.9	28.5	3.3	6.3
Accommodation	62.5	29.3	3.4	4.8
Restaurants	54.1	34.8	4.8	6.3
Entertainment	37.2	31.5	6.1	25.2
Tours	53.7	18.5	1.3	26.5
Transportation	48.3	33.5	5.2	13.0
Value For Money	47.5	36.8	7.3	8.4
Product Components				
National Parks/ Reserves	45.2	11.3	0.5	43.0
Marine Attractions	55.0	8.7	0.3	36.0
Maya Sites	43.7	10.2	0.8	45.3

Source: Belize Tourism Board. (2004). 2003 Visitor Expenditure and Motivation Survey.

About one-quarter of those surveyed acknowledged having purchased a pre-paid travel package to Belize; three-quarters arranged their own travel to Belize. The average cost per person of a pre-paid package to Belize was found to be US \$1522.¹⁵⁰ However, independent travelers as well as many of the prepaid tours use Belizean-run operations instead of international companies, thus contributing more directly to the national economy. The average daily expenditure for those interviewed at the airport was calculated at US \$96 (including hotel stay), suggesting US \$22.7 million in daily expenditures by all stayover tourists in 2005. Total trip expenditures, based on a

149 Belize Tourism Board. (2003). Visitor Expenditure and Motivation Survey.

150 Belize Tourism Board. (2003). Visitor Expenditure and Motivation Survey. Table 5.19, 14.

duration of 6.8 days, are then estimated to be US \$154 million.¹⁵¹ *This is over four times the amount of total expenditures—calculated at US \$34.9 million—that is generated by cruise passengers.*¹⁵²

In fact, in 2005, cruise passenger expenditures accounted for only 17.5% of aggregate tourism expenditures. Stayover tourists contributed the remaining 82.5% (or US \$144.1 million in total direct expenditures) (Table 3.22, Figure 3.4).¹⁵³ CESD/INCAE results demonstrate that cruise ship passengers have a low expenditure rate (between US \$20-48) for onshore items, excluding tours, during their Belize visit. Furthermore, almost all cruise visitors purchase tours while onboard the ship, allowing cruise ships to retain over half of the sale price of US \$78. Stayover tourists, in contrast, are much more likely to purchase local tours directly from tour operators, thus reducing leakages. Moreover, stayover tourists are more likely to engage in prolonged and assorted activities that are more geographically diverse. Based on the 2003 VEM survey, stayover tourists spent 6.8 nights in Belize and spent an average of US \$96 per day¹⁵⁴ or a total of about US \$652.80 per visit while in Belize.

These comparisons call into question the assertion by Tom Greenwood of the Belize Cruise Ship Industry Association that “the benefits of cruise tourism are spread widely among the populations of [Belize and other countries]...positively impacting on both the public and private sectors. While traditional tourism, which has its own unique enclosures, has impacted on Belize as well, it has not done so at the incredible level of cruise tourism.”¹⁵⁵

Furthermore, the average head tax for the Caribbean is US \$8.66, while the Belize head tax is US \$7. (It began in the early 1990s at US \$20/passenger, was lowered to US \$10 in the late 1990s, then dropped to US \$5, and in 2005, was raised to US \$7.)¹⁵⁶ *An increase of US \$1 would represent an additional income of nearly US \$1 million for the Belize government, and would more closely approximate the Caribbean average.* Stayover visitors contribute considerably higher amounts in departure taxes: US \$36.25 per person for airport departures; and US \$18.75 per person for terrestrial departures. Based on 2005 figures for airport and overland arrivals, this departure tax represents US \$7.3 million in revenue for infrastructure maintenance and development, security, and conservation. Admittedly, stayover contributions are US \$5.30 per visitor day for airport arrivals, but even this figure is more than the US \$3 per cruise passenger that accrues to the government. Moreover, stayover tourists contribute additional funds to the government by paying a 9% hotel tax for their lodging.

Both cruise passengers and stayover visitors pay a 10% sales tax (up from 9% since July 1, 2006) on most items and fees for parks and activities. Based on our calculations, cruise passengers paid US \$36.6 million in direct expenses in 2005. This equals

151 This figure was generated by multiplying total stayover visitors in 2005 (236,573) by average daily expenditures (\$96) by average trip duration (6.8 days).

152 Total cruise expenditures is calculated by adding an estimated \$21.3 million in direct expenditures from tours with an estimated \$13.6 million in additional direct expenditures.

153 Belize Tourism Board. (2004). Tourism and Travel Statistics. Belize City: The Angelus Press, 24.

154 Belize Tourism Board. (2003). Visitor Expenditure and Motivation Survey.

155 Greenwood, T. (Sept. 29-31, 2004). Cruise Tourism Impact Forum.

156 Russell, D.M. and Launchpad Consulting. (2004, Jan). Belize Tourism Sector Diagnostic 1998-2004. 35.

approximately US \$3.3 million in government revenue for 2005. According to the VEM survey, an average daily expenditure of US \$96 represents US \$13.9 million in tax-based revenue for 2005.¹⁵⁷

Table 3.22: Tourist Expenditures (US \$ millions) in Belize, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
Stayover Tourist Expenditures	108.1	110.9	118.0	118.7	120.6	133.7	140.1	144.1
Cruise Ship Expenditures	0.2	0.6	2.2	1.8	12.2	22.0	32.4	30.6
% Cruise Ship of Total Expenditures	0.2%	0.5%	1.8%	1.5%	9.2%	14.1%	18.9%	17.5%
Tourism Expenditure as % of GDP	15.7%	15.2%	14.4%	13.9%	14.3%	15.9%	16.7%	15.8%

Source: BTB, 2006. Tourist Arrivals, 1998-2004, email from Raymond Mossiah, April 4, 2006. "Belize Tourism Statistics", www.belize tourism.org/revenues.html, accessed July 12, 2006.

Despite the exponential growth in numbers of cruise ship arrivals and passenger disembarkation, the overall expenditures by cruise compared with stayover tourism remains small. Although stayover tourists comprise only a fraction of the total visitors to Belize, they contributed 82.5% of the total tourism revenue in 2005.

However, neither of these calculations examines additional income generated from tips. Although hard to estimate, future study is required in this area to ascertain a more accurate picture of the financial contribution of cruise and stayover tourism.

¹⁵⁷ This figure is calculated by multiplying total stayover visitors to Belize in 2005 (236,573) by average daily expenditures (\$96) by average trip duration (6.8 days) by the 2005 Belize tax rate (9%).

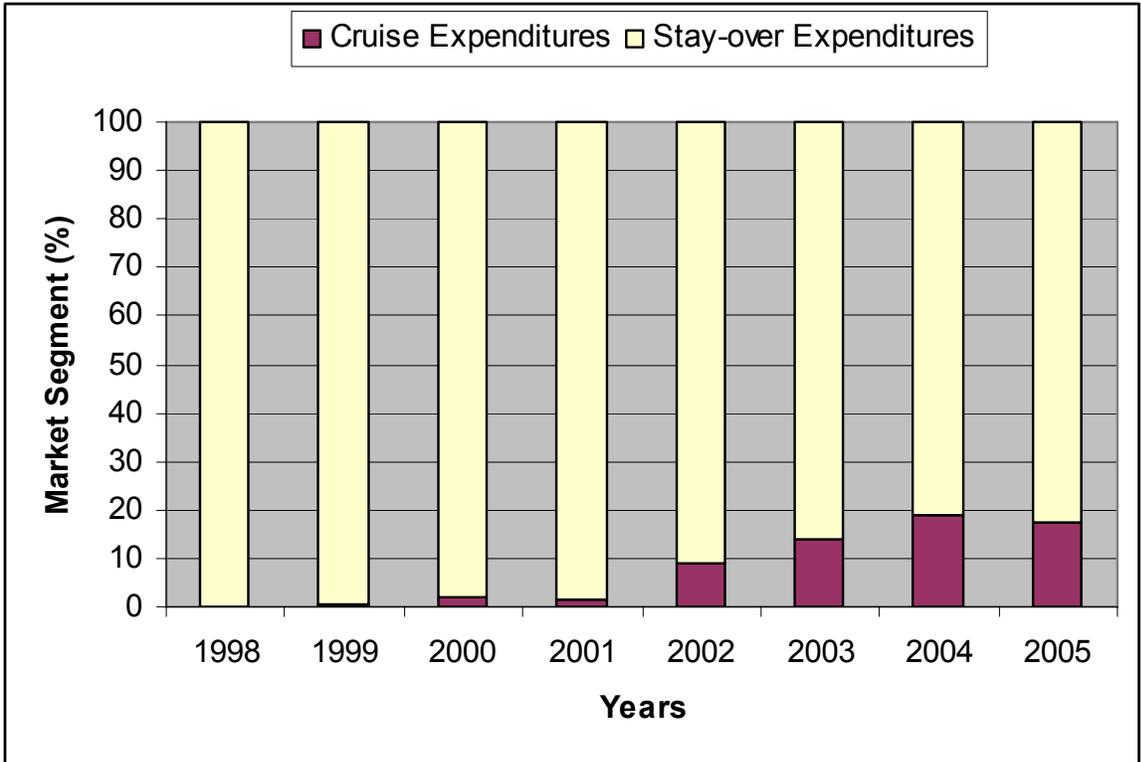


Figure 3.4: Direct Tourist Expenditures by Market Segment.¹⁵⁸

¹⁵⁸ Belize Tourism Board. (2004). Strategic Vision for Belize Tourism in the New Millennium.

4. INTERVIEW RESULTS AND ANALYSIS

In addition to the passenger surveys, CESD/INCAE field researchers also conducted 101 structured interviews (Table B) with local stakeholders between July and August 2005, yielding a diverse array of opinions and data. The goal of the interviews was to paint a more comprehensive and textured picture of cruise tourism impacts upon the Belizean economy, environment, and culture, and where possible, draw some comparisons with stayover tourism.

While numerous scholars have broadly investigated and identified different sets of 'real' costs and benefits caused by tourism, other researchers, however, have focused on how tourism impacts are 'perceived' by locals. Such studies are particularly useful for evaluating tourism growth and planning future development so that favorable outcomes are strengthened and negative consequences avoided.¹⁵⁹ Evaluation of residents' perceptions of tourism impacts generally takes the form of interview questionnaires.¹⁶⁰

Interview questionnaires were constructed specifically for this study with a mix of quantitative and open-ended questions (see Appendices B-E). In analyzing quantitative data, we used SPSS software (Statistical Package for the Social Sciences). Nominal data were coded and re-entered as numerical values. Descriptive statistics (including frequencies, means and standard deviations) were run. However, the interviews (unlike the surveys) were not designed to collect statistically meaningful data. Rather they were designed to reveal impressions and perceptions of cruise tourism and, to a lesser extent, stayover tourism, held by Belizeans in different walks of life. They were part of an effort to complement the study's quantitative data with a broader base of socially-relevant ethnographic research.

Ethnographic research has been traditionally associated with anthropology, but this research technique has now become established in other fields as well.¹⁶¹ Yet certain misconceptions still prevail regarding the use and benefits of ethnographic data. Some observers, for example, "place ethnography in the realm of the 'anecdotal', the term with which they normally dismiss evidence viewed as unscientific."¹⁶² In truth, "qualitative data analysis [always] depends heavily on the presentation of selected anecdotes and comments from informants."¹⁶³ As long as interviews "take seriously issues of methodological appropriateness, procedure, and validity," their value lies in what they reveal about the broader, collective culture of the local population.

The interview results of this study were intended to give ethnographic sketches of the broader local perception of cruise tourism in Belize. Our results thus consist of views

159 Choi, H-S. C. and E. Sirakaya. (2005). Measuring Residents' Attitudes toward Sustainable Tourism: Development of Sustainable Tourism Attitude Scale. *Journal of Travel Research*. 43(4):380-394. 391.

160 Examples of such studies include: B. King, A. Pizam, and A. Milman. (1993). Social Impacts of Tourism: Host Perceptions. *Annals of Tourism Research*. 20:650-665. N. Haralambopoulos and A. Pizam (1996). Perceived Impacts of Tourism: The Case of Samos. *Annals of Tourism Research*. 23(3):503-526. S.

Wearing. (2001). Exploring Socio-cultural Impacts on Local Communities. *The Encyclopedia of Ecotourism*. Edited by D.B. Weaver. New York: CABI. Pp. 395-409.

161 Forsythe, D.E. "It's Just a Matter of Common Sense": Ethnography as Invisible Work. *Computer Supported Cooperative Work*. 8(1-2):127-145. 127.

162 Forsythe, D.E. "It's Just a Matter of Common Sense": Ethnography as Invisible Work. *Computer Supported Cooperative Work*. 8(1-2):127-145. 130-131.

163 Bernard, H. R. (1994). *Research Methods in Anthropology: Qualitative and Quantitative Approaches*. London, UK. Sage Publications. 363.

and opinions held by various individuals in different tourism stakeholder populations that we believe are widely held within the respective groups. Thus in this section, our data are deliberately ethnographic, perceptual, and therefore indirect; separate long-term research and analysis will be required for any direct assessment of the environmental, social, and economic impacts of cruise tourism.

The following are descriptions of stakeholder groups interviewed:

Belize Government Officials

Four officials—including the Belize City mayor, the police superintendent, a University dean, and the director of the Department of the Environment—were identified by the BTB as the most appropriate local government officials to answer questions regarding the role and impacts of cruise tourism in Belize City. These individuals were interviewed about demographic information, specifics of cruise tourism history, fees, waste removal, community development, and employment information. The questionnaire consisted of a three-page, 34-question survey divided into four sections (Appendix F).

Port Authorities

A total of four port authority officials were identified by the Port Commissioner and were given a two-page questionnaire with 16 questions on port policies and cruise liners. Researchers sought information regarding services provided, fees charged, infrastructure needs and cruise ships' demands. Basic information regarding the frequency, size and seasonality of cruise visits was also collected (Appendix G).

Local Businesses

Based on willingness to participate, a total of 43 persons were interviewed for this category. Although a great deal of economic impact information can be derived from travel cost surveys administered to cruise passengers, these surveys reveal cruise expenditures as perceived by local businesses. Previous outreach initiatives by the BTB had identified businesses in Belize City that are affected or impacted by cruise tourism. From this list of businesses, supplied by the BTB, researchers set out to survey owners or managers of these businesses to investigate the level and seasonality of dependence on (cruise) tourism. Business owners and managers were administered a two-page questionnaire containing 18 questions on sales, purchases and attitudes towards tourism. Local economic impacts were derived from this approach as well as the passenger surveys. In addition, the likely economic impacts resulting from policy or exogenous changes in tourism behavior were also derived from these estimates (Appendix D).

Stayover Lodges

The researchers also carried out interviews with tourist accommodations that exist only for stayover tourism. The BTB supplied a complete list of accommodations in Belize City, San Ignacio, Placencia, Sarteneja, and Belmopan from which researchers sampled accommodation operators (including hotels, lodges and resorts) that are most impacted by and in closest proximity to the cruise tourism impact zone. Based on willingness to participate, 19 accommodation owners or managers were questioned. Interviews consisted of 44 interview questions that attempted to understand lodging characteristics and fees, visitor expenditures and perceived tourism impacts of stayover and cruise tourists (Appendix C).

Farmers and Fishermen

Farmers and fishermen were identified as local community stakeholders with important perceptions of tourism and environmental resources. As tourism expands, farmers and fishermen can be placed in direct competition with tourism enterprises and government officials over the use of natural resources. On the other hand, both groups can potentially find new business opportunities through sales to hotels and restaurants. Research sought to evaluate the impact that environmental change, in general, has had on subjects' livelihoods. The three-page questionnaire—consisting of 30 questions on job choice and planning, access to resources, perceptions of environmental change and individual income—was administered to a total of 16 persons in this category (Appendix E). Researchers visited fisherman cooperatives in Belize City, fishing wharfs in Sarteneja, and community gathering spots in Stann Creek Valley and randomly selected respondents through convenience sampling. The communities of Sarteneja and Stann Creek Valley were carefully chosen for their reliance on these activities.

Protected Areas & Mayan Archeological Sites

Purposive interviews were also carried out at the natural areas and Mayan sites most heavily visited by cruise tourists. Eleven interviews were conducted with tour guides, park and archeological site managers and nearby dive shop businesses. These individuals were identified by the BTB as having involvement in the cruise tourism sector. Subjects were administered a seven-page questionnaire with 65 questions divided into four portions that inquired into site characteristics, visitation, infrastructure and fees, as well as tourism impacts and environmental changes. Questionnaires revealed information about the economic, environmental and social impacts of cruise and stayover tourists at protected areas (Appendix B).

Tourism Sector Organizations

Our research team also carried out purposive interviews with four tourism leaders from the Ministry of Tourism and prominent private sector tourism organizations. Interviews contained 29 questions that assessed cruise ship history, fees and waste disposal, as well as tourism viewpoints (Appendix H).

Limitations

In interpreting the results from the interview categories described above, several limitations should be kept in mind. First, our interviews were not conducted during peak cruise season and this may have influenced host responses. In particular, a lower concentration of cruise passengers may have affected residents' perceptions of the benefits and costs of cruise visitors. Moreover, some of the questions for government officials were deemed inappropriate for those subjects because they did not have knowledge of information on demographics and other statistical trends relating to tourism (Appendix F).

Finally, some of the researchers were not native to Belize, which may have had some impact on the nature of the personal interviews with stakeholders. In many cases, interviewers felt that this factor helped rather than hindered, prompting interviewees to give more time and attention to their answers. In any case, interview results succeed in identifying several pertinent themes that were expressed by respondents across different areas. These themes or concerns will be discussed within the context of economic, environmental and cultural impacts and how each is affected by the cruise industry.

Economic Impacts

General Tourism

No one surveyed for this study would suggest that tourism, because of its impacts, should be reduced or eliminated. On the contrary, tourism is a major source of income for our respondents and the sole source of livelihood for many of them. It is almost universally deemed necessary for the continued development and sustained wealth of the country. According to the 2005 White Paper, tourism generated 6450 direct jobs and 15,422 indirect jobs in the broader economy in 2004, or nearly 20% of total jobs in Belize.¹⁶⁴ According to the Labor Force Survey in 2005, there were a total of 12,865 jobs in tourism, representing 13% of the total work force.¹⁶⁵ BTB also reports that in 2005 there were 1,113 licensed tour guides and 209 licensed tour operators.¹⁶⁶

In the interviews, 18 out of 19 hotels surveyed admitted expanding or diversifying in the last ten years, including increases in local spending and employment. Statistics indicate that employment in the hotel sector is significant and has increased steadily, from 2934 in 2001 to 3770 in 2004.¹⁶⁷ In 2005, BZ \$27 million was invested in new hotels, with 10.1% more hotels and 8.7% more rooms. 557 hotels were in operation in 2005, employing 4045 individuals and generating US \$51.6 million in revenue.¹⁶⁸

164 White Paper. (2005 June) Belize Tourism Board, 6.

165 Central Statistical Office. (2006). "2004-05 Labor Force Survey."

166 BTB. (2006). "Year in Review."

167 Geban, K. Yearwood, S. (2006, Feb 20). Final Report: Status of Belize Overnight Accommodation Sector, 15.

168 BTB. (2006). "Year in Review."

In contrast to cruise ships which work with a mobile, international staff that rarely interact with people at the ports of call, all Belizean hotels interviewed hire almost exclusively local staff; only five hotels interviewed hire minimal numbers of foreigners. A recent study of the overnight accommodation sector found that “over 90% of those employed in the hotel sector are also considered to be nationals.”¹⁶⁹ According to the BTB, of the 4045 individuals working in the hotel sector last year, 3813 (or 94%) were Belizean.

In addition to providing jobs, respondents also recognized tourism’s positive impacts in education, environmental awareness, conservation, and infrastructure development. Destination site managers openly supported tourism for its ability to create “growing appreciation for conservation and protection of sites,” and for its ability to provide funding to “build better infrastructure at sites, even open new sites.” Moreover, others felt that through continued education and awareness, guests and hosts would be able to learn more about each other as well as the environment. In sum, many respondents perceived benefits for themselves as well as Belize and felt that tourism should be fostered.

Cruise Tourism

Our respondents proved to be fully aware of the dramatic increase in cruise passengers that has taken place over the last few years. In interviews, port authorities, for example, confirmed increasing numbers of cruise ships docking at the port as well as increasing ship size and passenger capacity. One authority commented that “Belize has so far handled the growth very well, but we cannot sustain this growth under the existing infrastructure,” emphasizing the need for investment in diverse tourism markets and continued progress on a long-term sustainable tourism development plan.



Local vendors compete for customers

In terms of employment, in September 2004 the then Minister of Tourism Espat told the Cruise Forum that it can be estimated that 1500 jobs are generated when 8000 cruise passengers arrive. However, he further admitted that cruise tourism accounts for only one in ten tourism jobs in Belize.¹⁷⁰ While former Minister Espat said only 10% of tourism jobs were generated by cruise tourism and 90% from stayover, he commented that a number of people work in both sectors. Two years later, BTB official Anthony Mahler said that no accurate breakdown exists for the percentage of jobs in the cruise and stayover sectors. Clearly,

169 Geban, K. Yearwood, S. (2006, Feb 20). Final Report: Status of Belize Overnight Accommodation Sector, 15.

170 Espat, M. (2004). Keynote Address Cruise Tourism Impact Forum.

this is an area where more precise data is necessary. In interviews with Belize City tour guides, respondents indicated that they serve cruise passengers on cruise days and stayover visitors on remaining days. While income from cruise passengers might be less per person, it represents guaranteed work; whereas work with stayover visitors is based more on chance, especially in the low season.

Many interviewees voiced approval for cruise tourism because it provides a wide range of job opportunities and financial support, particularly for workers in the hospitality sector. Cruise tourism is perceived to have provided “income to many families that didn’t have one before,” according to one government official. Another authority stated that Belize benefits from cruise tourism “mostly through increased job opportunities and labor. Much more could be done however to involve people in the revenue stream,” indicating that the cruise industry has not yet had as deep an impact on the labor market in Belize as some hoped. Moreover, positive responses were often voiced alongside multiple concerns. For instance, NGO officers generally felt that cruise passengers affect the experience of stayover tourists: a group of cruise passengers “creates a congestion in parks, and so, tours catering to overnight tourists visit parks before cruise passengers or after to avoid contact.”

“Stayover” Tourists vs. Cruise Tourists

Business owners/managers (including artisans, restaurateurs, and tour operators) were asked to estimate the percentage of their total sales that are derived from tourists in general, as well as cruise tourists in particular. Of the businesses surveyed, the majority said they were heavily dependent on tourism: 19 business owners reported that 100% of their sales were due to tourists; and 34 owners declared that over 50% of their revenue resulted from tourists in general (Table 4.1). In regards to cruise tourists: 15 managers/owners perceived that these visitors contributed less than 26% of sales; and 19 managers/owners felt that cruise passengers accounted for over 75% of sales. *In sum, spending by cruise passengers represents well over 50% of overall sales for about half of the businesses questioned. There is little doubt that cruise tourists contribute significantly to the local economy.*

Table 4.1: Business Owners/Managers’ Perceptions of Tourists’ Contribution to Overall Sales¹⁷¹

	All Tourists	Cruise Tourists N (%)
0 –25%	2 (4.8%)	15 (38.5%)
26-50%	6 (14.3%)	3 (7.7%)
51-75%	7 (16.5%)	2 (5.1%)
76-100%	27 (64.3%)	19 (48.7%)
Mean	81.1%	54.9%
Median	92.5%	70%

¹⁷¹ Synthesis of descriptive statistics obtained through interviews.

However, business owners/managers noted a difference in the average amount of purchases made by stayover tourists versus cruise tourists on a daily basis (Table 4.2). According to 23 respondents (or 58%), cruise tourists were perceived to spend, on average, US \$10 or less, while 21 respondents (or 55%) perceived that stayover visitors spent US \$50 or more. The median purchase for stayover visitors was US \$50, whereas the median purchase for cruise tourists was only US \$10; the mode for cruise passengers was under US \$5, while the mode for stayover tourists was over US \$100. The mean answer for cruise passengers was US \$25, and the mean response for stayover tourists was US \$50.

Of the 43 businesses, 14 identified themselves as tour operators. These individuals estimated that, on average, cruise tourists spent US \$25. The remaining business owners/managers estimated that additional cruise spending was US \$25. In sum, cruise spending on tours and additional purchases is estimated at US \$50 per person. This figure is close to results obtained from our cruise passenger surveys, which estimated that disembarking passengers spent US \$54 on tours and additional items. Moreover, one of the qualitative interviewees, the president of a cruise tourism organization, estimated that cruise tourist purchases are between US \$25 and US \$50 each, which also corresponds with the data outlined here.

Tour operators estimated, however, that stayover visitors spend, on average, US \$100 on tours. Remaining business respondents calculated that additional expenses are approximately US \$25. This totals US \$125 not counting lodging expenses.

Table 4.2: Business Owners/Managers Perceptions of Average Total Expenditures by Cruise and Stayover Passengers

	Cruise Passengers	Stayover Tourists N (%)
<\$5	13 (32.5)	10 (26.3)
\$10	10 (25.0)	2 (5.3)
\$25	6 (15.0)	5 (13.2)
\$50	3 (7.5)	3 (7.9)
\$75	4 (10.0)	2 (5.3)
\$100+	4 (10.0)	16 (42.1)
Mode	<\$5	\$100+
Mean	\$25	\$50
Median	\$10	\$50

To summarize, we can say that most businesses were quite appreciative of the revenue derived from cruise tourism. However, many were not entirely positive about the spending behavior of cruise tourists. The owner of a tour company working with stayover tourists reported: “Cruise passengers do not spend money when they come into our country. They refuse to buy a bottle of water and they complain that everything in Belize is expensive.” These sentiments are reflected by Belize Tourism Board (BTB)

data, which demonstrate that only 17.5% of all tourist expenditures come from cruise tourists, despite the fact that 77.2% of all tourists are cruise tourists.¹⁷²

Disparities between cruise and non-cruise tourists are yet more pronounced in the lodging sector, as one might expect. Hotel owners and managers do both appreciate cruise tourism’s general economic importance. However, since hotels and guest homes do not commonly provide overnight services for cruise tourists, cruise tourism has had little impact on hotel occupancy (Table 4.3). Cruise tourists do supply some revenue through the purchase of food, drinks, and souvenirs. But, some urban hotels report negative experiences. According to the *Los Angeles Times*, “Maria Otero, the chief executive director of the Radisson Fort George Hotel and Marina near the cruise ship village, said passengers routinely strolled into her facility to use the bathroom and take a dip in the pool, then complain about the cost of refreshments. She said she had to draw the line at them bringing in their own booze and snacks.”¹⁷³ Many of the hotel owners and managers interviewed also felt that the experiences of their stayover guests are compromised by cruise tourism. Fourteen respondents (74%) felt that cruise tourism had negatively impacted the experience of stayover tourists, and 12 individuals (67%) believed that cruise tourism had had a negative impact on the reputation of the nearest destination site (Table 4.3). One manager complained that “stopover tourists [are] negatively impacted when they pay good money to be here and don’t want to be overcrowded. We’d be surprised if anyone wants cruise passengers to come here.”

Table 4.3: Hotel Owners/Managers’ Perceptions of Cruise Tourism’s Impacts

What effect has cruise tourism had on...	Negative	Balanced	Positive
	N (%)		
...hotel occupancy?	2 (14.3%)	12 (85.7%)	0 (0%)
...the reputation and image of the nearest destination site?	12 (66.7%)	3 (16.7%)	3 (16.7%)
...experience of non-cruise visitors?	14 (73.5%)	3 (15.8%)	2 (10.5%)

Overcrowding—both within the city and at tourist attractions—was cited as the main problem with cruise tourism. One hotel owner argued that “[cruise tourism] drives away stayover tourists who hear about cruise tours and don’t go on tours on cruise days.” Hotel owners and tour operators report that “volumes of people coming [to the parks] increased park fees and cause [other] negative effects.” They say that stayover guests have complained that cruise tourists decrease the value of their visit: “they pay good money to get here and don’t want to be overcrowded.” In effect, overcrowding compromises Belize’s image as a peaceful and secluded nature destination and challenges the “off-the-beaten-path” image of local hotel-run tours. Moreover, overcrowding compromises the older image of an untouched, pristine Belize that has drawn so many stayover tourists. As noted earlier, Belize advertises itself as “Mother

172 Russell, D.M. and Launchpad Consulting. (1998). A Tourism Strategy for Belize. 6-7.; See also Strategic Vision for Belize Tourism in the New Millennium. (2004.) Belize Tourism Board.

173 Dickerson, M. (2006 April 1). Curse of the daytrippers. *Los Angeles Times*.

Nature’s best kept secret”; but with over 8,000 cruise passengers per day, hospitality workers fear that this claim is no longer valid. They worry that Belize will lose its market advantage if solutions are not found to remedy this disparity. One interviewee warned that, for the first time, “Belize is getting a reputation of being a stop-and-go destination.” Another went so far as to suggest that “cruise tourism is killing the hotel industry.” But in our sample, most respondents simply—but sincerely—felt that their stayover clientele might not return if overcrowding persists.

Natural and archaeological destination site managers also perceived differences between stayover and cruise tourists. Eight respondents (80%) felt that financial contributions by foreign tourists constituted over 75% of their budgets, whereas the majority of interviewees (5 respondents or 56%) believed that cruise tourist contributions represented less than 25% of site budgets (Table 4.4). Thus, 50% of budgets were attributed to the much smaller numbers of stayover visitors. Interviewees resoundingly agreed that cruise tourists inject far less money into the Belizean economy than stayover tourists. According to one site manager, cruise passengers “are not into the conservation part of the visit as much [as are the stayovers]. They are only there for 1-2 hours, don’t remember as much or spend as much as stayover tourists.”

Table 4.4: Perceived Percentage of Destination Site’s Total Budget Due to Foreign and Cruise Tourists

	Foreign Tourists	Cruise Tourists N (%)
0 –25%	2 (20.0)	5 (55.5)
26-50%	0 (0.0)	1 (11.1)
51-75%	0 (0.0)	2 (22.2)
76-100%	8 (80.0)	1 (11.1)
Mean	74.9%	27.4%
Median	92.5%	19%

The Trickle-down Effect

The indirect effects of tourist spending are also important in people’s perceptions of the cruise industry. In our sample, several respondents expressed concern that cruise industry revenues do not trickle down throughout the community, but instead go primarily to the cruise line companies and a handful of individuals in Belize. It is felt that there is “little dispersion of income to the wider community.” A port authority representative reiterated: “We need to also insure that the benefits of this growth trickle down to all economic levels—the big Belizean companies who are profiting are not sharing the wealth. Control by the big stakeholders is not in the best interest of the country.” The Chief Environmental Officer at the Department of the Environment also addressed this problem:

Cruise ships are the main beneficiaries, receiving the bulk of income from cruise passengers. [There are not the] same economic benefits [here] as from stayover tourists... Also, very little of the economic benefits trickle down to the local economy of Belize. Even site profits stay within cruise companies. They are shrewd negotiators.

Several other respondents expressed concerns that income generation is not very evenly dispersed within the country. For example, one hotel manager believed that the “government should highly consider north Belize in infrastructure to develop a better increase in tourism, to help financially more people in the north, to develop new attractions or accommodations and facilities as a whole...Maybe some cruise passengers could come to other sites and relieve the ones [more] used from stress.” A destination manager reiterated: tourism could be improved if the “government could spread out benefits more so people don’t have to move from their hometown.”

As described earlier, an estimated 50% of the price of tours and excursions bought onboard return to the cruise lines.¹⁷⁴ In addition, US \$4 of the US \$7 head tax goes to the Tourism Village, which is owned by Royal Caribbean and Diamonds International as noted earlier. Carnival is asking for similar arrangements for its new privately owned pier. In contrast, the stayover sector pays a variety of taxes, including sizeable exit taxes (Figure 4.1) and a 9% hotel tax. In 2005, 69% of BTB income came from the hotel tax, and only 5% from the cruise tax. Despite the enormous growth in cruise passenger numbers, the percentage of BTB’s income derived from the hotel tax has actually been increasing, from 55% in 2002 to 69% in 2005.¹⁷⁵ This trend, of course, has both policy and financial implications for Belize, and its impact is not lost on hotel operators and others.

Cruise Head Tax \$7	Airport Departure Tax \$36.25	Overland Departure Tax \$18.75
\$4 – Royal Caribbean \$1.60 – BTB \$1.40 – PACT	\$32.50 – Security, Processing \$3.75 – PACT	\$15 – Security, Processing \$3.75 – PACT

Figure 4.1: Comparison of taxes charged tourists to Belize.

Socio-Cultural Impacts

Respondents in our study perceived increasing crime and violence in Belize City, increases in real estate prices, overcrowding, and rewarding cultural exchanges.

Many respondents referred to a rise in crime, drug use and prostitution—an increase that they say corresponds to the huge growth in tourism with the advent of the cruise business. While Belize City is a friendly and secure place (especially compared to other Central American cities), cruise visitors do draw considerable attention on cruise days. A business manager was especially concerned about crime: “tourists [are sometimes]

¹⁷⁴ Personal communication with tour operators, August 6-8, 2006.

¹⁷⁵ Geban, K. Yearwood, S. (2006, Feb 20). Final Report: Status of Belize Overnight Accommodation Sector. 16.

offered prostitution and drugs as they walk along the street, and the police stand by and do nothing.” A hotel manager further emphasized that “crime needs to be addressed since it is starting to affect the sites and destinations. And security measures must be put in place...Last week at the Rio Frio caves, tourists were held up and that gives a bad image to Belize.” Thus, cruise tourism is believed to negatively impact the local society as well as visiting cruise passengers through increases in crime.

According to interviewees, increasing crime exacerbates cruise passengers’ negative opinions of Belize: “the crime rate has increased...tourists fear being attacked while at sites.” More importantly, a hotel manager felt that cruise lines predispose their guests to believe that Belize is a dangerous place. This respondent believed that “passengers are told on the ships to not bring off any money from the ships because Belize is not safe...[and] many [cruise passengers] come off [the ships] with a negative vibe about Belize.” Tour operators reiterate this concern that cruise staff may misrepresent danger and crime in Belize. But, all agree that increased monitoring and crime prevention would reduce chances for crime against passengers and negative messages from cruise lines.

Furthermore, tourism and local investments in real estate are raising land prices. According to one local fisherman, “it has become more difficult and more expensive to buy land. Costs to maintain land have increased as well.” In addition, larger and more frequent tour groups have caused increases in traffic congestion and noise pollution in Belize City and around visitor sites. The latter, in particular, creates disturbances for wildlife and solace-seeking humans. A government official recognized that there is an “increased demand for traffic management.” There is also greater demand for investment in infrastructure, including road improvements and city beautification. BTB has already started to engage in “downtown revitalization” and “citywide cleanup” of Belize City, and with the help of the Florida-Caribbean Cruise Association (FCCA), it plans to repaint and restore homes along touristed roads.¹⁷⁶ These are positive steps that could be made more permanent through the development of cruise passenger or cruise line fees for social and environmental issues.

During fieldwork, a number of our respondents also saw positive socio-cultural impacts to cruise tourism. As one example, tourism, including cruise tourism, is believed to increase exposure of Belizeans to other societies. According to one natural destination manager, tourism “has opened people’s minds to the outside world and the experiences there.” Cruise tourism is also recognized for its ability to foster cultural sharing. “Tourism and cruise tourism helps the country develop and helps get to know more people that could help the country,” said one fisherman.

Cruise tourism has also promoted increased educational opportunities and training for local residents. In 2005, the BTB and FCCA extended training sessions on customer relations and service excellence for individuals involved in the cruise industry. Moreover, some cruise projects are leaving positive marks on unintended audiences, namely local communities. For example, the privately-owned museum at the Old Belize destination site, on the edge of Belize City, was originally developed to serve as an attraction for cruise passengers. However, this museum now serves as a major

176 BTB. (2006). “Year in Review.” Personal communications with Anthony Mahler and Raymond Mossiah, August 9, 2006.

attraction for schoolchildren from throughout the country to learn about Belizean history in an interactive format.¹⁷⁷

Environmental Impacts

A wide variety of stakeholders were asked about environmental issues and a number mentioned what they perceive as environmental impacts caused by cruise tourism. Fishermen and farmers were asked to list the importance they place on several key environmental items. All 16 respondents considered the quality of nature and the quality of beaches to be “very important”. The majority of interviewees also felt that solitude, cleanliness, and contact with nature were “very important” (Table 4.5). It is evident that local community members, particularly fishermen and farmers, value the environment.

Table 4.5: Perceived Importance of Environmental Items for Fishermen and Farmers.

Item	(1)	(2)	(3)	(4)	(5)	N	Mean	St. Dev*
	Unimportant		Somewhat Important		Very Important			
	%(N)	%(N)	%(N)	%(N)	%(N)			
Quality of nature	0 (0)	0 (0)	0 (0)	0 (0)	100 (16)	16	5.0	0.0
Quality of beaches	0 (0)	0 (0)	0 (0)	0 (0)	100 (16)	16	5.0	0.0
Solitude	6.3 (1)	0 (0)	6.3 (1)	0 (0)	87.5 (14)	16	4.6	1.1
Cleanliness	0 (0)	0 (0)	6.3 (1)	0 (0)	93.8 (15)	16	4.9	0.5
Contact with nature	0 (0)	0 (0)	0 (0)	6.3 (1)	93.8 (15)	16	4.9	0.3

*Standard Deviation.

Variables coded on 5-point Likert scale with 1=Unimportant, 3=Somewhat Important, 5=Very Important.

However, many interviewees reported environmental damage as a byproduct of cruise tourism. Farmers and fishermen, for example, voiced concerns about the overcrowding of areas known to them that are also visited by cruise tourists. A fisherman summarized that the “government needs to regulate to make sure people spread out.” A destination site manager reiterated that “overcrowding drives away wildlife, disturbs forests and environments.” Other difficulties connected to overcrowding of natural areas were also mentioned: reduced appreciation of sites by cruise tourists; increases in local waste and pollution; decreases in the health and size of natural habitats (and their flora and fauna); and insufficient management of crowds.

According to one destination manager, “cruise passengers don’t receive the full educational experience [that they could get here] due to their short amount of time spent” visiting. This, in turn, causes reduced appreciation of and respect for environmental attractions. On the other hand, “stayover tourists spend more time, display greater interest in sites, Maya culture.” A hotel manager confirmed this idea: “regular [stayover] tourists are more environmentally conscious. Cruise ship passengers

¹⁷⁷ Personal communications with Old Belize owner, August 3, 2006.

less so—too many people to exercise control in such an environmentally sensitive area.” Thus, cruise passengers’ appreciation for sites is much less than that of stayover tourists because the former group receives less personalized attention and less time to observe the sights.

Such negative environmental impacts are, of course, of concern beyond Belize. In his article “Providing Ecotourism Excursions for Cruise Passengers,” professor of coastal management David Johnson notes that “notwithstanding the emphasis on the attraction of the ship as a destination in itself, the continuing importance of terrestrial destinations remains an essential part of the cruise product.”¹⁷⁸ Given that 70% of cruise destinations worldwide are in biodiversity hotspots and Caribbean coral reef tours make up 60% of reef tours worldwide, it is critical to evaluate the environmental impact of heavy cruise traffic both on land and marine ecosystems.¹⁷⁹ Unfortunately, only an estimated 25% of tour guides in the region are considered knowledgeable about the natural environment and environmental issues.¹⁸⁰ Unintended impacts are unavoidable.

A study by Frederico Neto, a specialist with the UN Department of Economic and Social Affairs, supports and generalizes another of our findings in Belize. He found that within fragile coastal environments, environmental regulations are often inadequate in terms of both appropriate policies and enforcement mechanisms.¹⁸¹ Rapid overdevelopment may result in a cycle of decreasing returns in which tourists cause environmental damage by putting pressure on natural resources and ecosystems.¹⁸² As Neto explains, “uncontrolled tourism expansion is likely to lead to environmental degradation, but...environmental degradation, in turn, poses a serious threat to tourism activities.”¹⁸³ It stands to reason that environmental degradation, in turn, results in a lower quality tourism product and lowers the area’s future tourism potential. This pattern is cause for alarm among Caribbean states, says Neto, because “their increasing reliance on tourism as a main tool of socio-economic development, means that this environmental impact can be particularly damaging since the success of the tourism sector on their islands often depends on the quality of their natural environment.”¹⁸⁴ Johnson and Neto agree that progressive environmental policy, monitoring, and enforcement are critical to the health of Belize and other Caribbean ecosystems and economies.

Maximum Capacity

Due to the unexpected rise in cruise tourists over the last few years—from 48,000 in 2001 to 800,000 in 2005—many attractions in Belize were not prepared to deal with the sudden strain on their facilities. In many locations, says one site manager, there are “inadequate facilities to meet the visitors’ needs.” Another destination manager

178 Johnson, D. (2006). Providing Ecotourism Excursions for Cruise Passengers. *Journal of Sustainable Tourism*. 14(1). 43

179 Johnson, D. (2006) *Journal of Sustainable Tourism*.; A Shifting Tide; Environmental Challenges and Cruise Industry Responses. (2003). CI/Center for Environmental Leadership in Business.

180 Johnson, D. (2006) *Journal of Sustainable Tourism*, 44.

181 Neto, F. (2003). A New Approach to Sustainable Tourism Development, 217.

182 Neto, F. (2003). A New Approach to Sustainable Tourism Development: moving beyond environmental protection. United Nations. Oxford, UK: Blackwell Publishing.

183 Neto, F. (2003). New Approach to Sustainable Tourism Development. 216.

184 Neto, F. (2003). New Approach to Sustainable Tourism Development. 217.

specified: “We are not prepared to handle the increased number of tourists—unexpected increase of 200% in cruise ship passengers over the last 5 years.” Most destination site managers reported that they have an overcrowding problem at their site, particularly during the height of the cruise season (December – April).

One of the most frequently mentioned problems with cruise tourism in Belize is the damage to coral reefs in the Barrier Reef Reserve System. This reserve is of paramount importance, being a World Heritage site and home to the second largest reef in the world. Reefs and marine protected areas containing reefs are especially at risk from mass tourism because of their sensitive structure and high biodiversity. Overcrowding of Belize’s barrier reef—though not caused solely by cruise tourism—was blamed on the cruise industry by all stakeholders.

In our research, an office manager and tour guide at Caye Caulker, who has witnessed overcrowding on cruise days, put the overcrowding problem this way:

Mass tourism always has a bad effect on the reef. The cruise reef tours have too many tourists at one time—the tour guide can’t control 40 people at once. Non-cruise passengers purchase tours on Caye Caulker where the maximum number is 8-10 people per tour. This way, a guide can monitor the behavior of the tourists and make sure they don’t harm the coral. I see the effects of the cruise tourists on the reef—many parts of the reef torn up and damaged now. There is a carrying capacity of tourists on the reef, and the cruise tourists exceed that.

Several other respondents noted that tour group sizes have grown to where the guide cannot possibly monitor the behavior of individual tourists, posing a serious concern both for ecosystem health and tourist safety. The destination manager of the Hol Chan Marine Reserve, which is part of the Belize Barrier Reef Reserve System, stated that “cruise tourists take reef tours in groups of 50 people—this is hard to manage. There’s no way the tour operators can manage a group that size.” Similarly, the *Los Angeles Times* recently reported that “aquatic traffic jams are becoming more frequent—and contentious—in laid-back Belize since the arrival of a new species of visitor: the cruise ship passenger.”¹⁸⁵ The problem has not gone unnoticed. The 2000 Belize Cruise Tourism Policy, discussed earlier, proposed that the ratio should be limited to eight tourists per guide for marine environments.¹⁸⁶ By 2006, this had been set by law: the ratio of guides to tourists in marine parks was to be 1:8, while in terrestrial parks it was to be 1:15. However, given the continuing reports of violations and the lack of systematic monitoring of protected areas, it is imperative that detailed research be conducted to establish better tourist management practices and to set and enforce carrying capacity limits for the most popular protected areas and archeological sites.

Respondents also referred to legal problems associated with overcrowding on the reefs. A tour guide for the Lodge at Chaa Creek said that the laws already in place to reduce the impacts of crowding are being ignored. “Negative impacts are created by too many people causing deterioration of sites...Currently cruise tours are not abiding by laws to limit overcrowding—exceeding the allowable amount of 25 visitors per guide with 50

185 Dickerson, M. (2006, April 1). “Curse of the daytrippers”. *Los Angeles Times*.

186 Belize Tourism Board. (2002). *Belize Cruise Tourism Policy*. (2002)..

[visitors] per guide.” The owner of a scuba diving shop reiterated that lax application of legal measures is causing environmental decay: “[there should be no more than] ten divers to two licensed tour guides by law for SCUBA divers. For cruise passengers [today], it’s more like eight to one, if even that. Mostly it’s bigger groups.”

Clearly, 50 tourists per guide, as those interviewed report is common, are far too many to manage properly. Interviewees stated that tourists’ behavior cannot be properly monitored and restricted when tours are so large and when time is so short. For example, instances of stepping on and damaging corals and littering are much more common with large cruise tours. According to the manager of a marine reserve, the rapid growth in visitors to Belize has caused extensive destruction to the mangroves as well as the reefs. Because mangrove areas are generally visited in small boats, this claim warrants further investigation.

Rapid growth in cruise visitors has also alienated non-cruise tour guides. Respondents reported “complaints with cruise tour operators on Caye Caulker and San Pedro – other guides would leave the area when cruise passengers come to the site. There have been verbal confrontations.” These personal accounts exemplify the common tourist attitude that by arriving at a destination they have a “right to automatic access.”¹⁸⁷ This perception complicates the potential implementation of limits regarding tour size and site capacity.

A number of studies by scientists and conservation organizations also warn that the rapid increases in the volume of tourists visiting Belize and other Caribbean destinations have overextended the capacity of many sites, creating a myriad of consequences. Even activities as simple as walking on the beach or climbing over boulders on the shore have been shown to significantly disrupt coastal ecosystems when there is a high traffic level through the area.¹⁸⁸ With respect to marine impacts, The Center for Environmental Leadership in Business report in their 2003 publication, “Environmental Challenges and Cruise Industry Responses,” that “boats anchoring on or near the reefs can cause damage, while cruise passengers may harm the reefs by touching, walking and standing on the coral or breaking off pieces for souvenirs.”¹⁸⁹ The hundreds of tenders used to transport cruise tourists on reef excursions each day causes reef damage, and the cumulative impact of thousands of smaller anchor drops can threaten the reefs’ health.¹⁹⁰

Habitats in Danger

According to park rangers, archeological site managers, dive instructors and guides interviewed for this study, tourist sites other than reefs have also experienced serious environmental changes over the last five years. Nine out of ten respondents felt that the area in natural habitats had decreased in the last five years, during the boom in cruise

187 Davenport, J. Davenport, J. (2006). The Impact of Tourism and Personal Leisure Transport on Coastal Environments: A Review. *Estuarine, Coastal and Shelf Science*, 67. 280-292.

188 Davenport, J. Davenport, J. (2006). The Impact of Tourism and Personal Leisure Transport on Coastal Environments: A Review.

189 Sweeting, J., Wayne, S. (2003). A Shifting Tide; Environmental Challenges and Cruise Industry Responses., 18.

190 Sweeting, J., Wayne, S. (2003). A Shifting Tide; Environmental Challenges and Cruise Industry Responses., 18.

visits. Similarly, six of seven interviewed about forest destinations reported that deforestation has occurred in the last five years due to expanding development and agriculture. Increased deforestation is compromising water quality, increasing erosion, and reducing natural habitats. Not surprisingly, six out of ten interviewees felt that water quality has also changed, and six out of nine respondents reported that pollution has increased in the last five years (Table 4.6).

In contrast, most destination supervisors reported that, in their observations, numbers of plant and animal species have not been negatively impacted. Quite the contrary: four respondents felt that there has been no change in faunal species; three individuals believed that species numbers have increased; and only two interviewees stated that species numbers have decreased. Furthermore, 7 respondents (or 77.8%) felt that the number of plant species had not been affected.

Table 4.6: Destination Site Managers’ Perceived Environmental Changes in the Last Five Years

Environmental Changes	Yes N (%)	No N (%)
Decreasing Habitats	9 (90%)	1 (10%)
Deforestation	6 (85.7%)	1 (14.3%)
Water Quality	6 (60%)	4 (40%)
Pollution Levels	6 (66.7%)	3 (33.3%)
Number of Faunal Species	5 (55.6%)	4 (44.4%)
Number of Plant Species	2 (22.2%)	7 (77.8%)

Farmers and fisherman were asked an extensive set of questions relating to the health of the resources that they depend upon for their income. These respondents indicated that their resource base is deteriorating for multiple reasons, including tourism. Decreases in environmental resources were noticed by 15 respondents (out of a sample size of 16). The most commonly perceived changes to the environment included: damage to reefs (mentioned by eight participants) and mangroves, diminished sea grass habitats, and declines in lobster and conch populations.

After reporting on these various forms of environmental change, farmers and fishermen were then asked to identify reasons for these changes and declines. Their responses focused on general climatic factors more frequently than on human abuses. Respondents



Mangrove stands near Belize City

listed several potential causes for environmental change: seven blamed hurricanes; four suggested higher temperatures and increased aridity as the culprits; and an additional four cited human impacts. Tourism was only specified by two individuals as a potential cause of environmental change.

Farmers and fishermen also reported diminished access to resources. According to ten respondents, access to land or fishing locations has declined over the last five years. Most of these individuals blamed the establishment and growth of marine reserves for changes in access. In fact, many fishermen feel that the reserves are being expanded for the growing number of tourists, and they are resentful of this reallocation of resources. One fisherman commented:

“In the last five years there has been a great increase in regulations and the closing off of fishing sites for reserves. They close off the most productive areas. It seems as though they pick the places where they see the most fishermen, rather than researching the sites. They force the fisherman to then go to sites where the fish tend to be smaller.”

Another fisherman estimated that “80% of his income has been affected through the government’s preference of tourism over its fishermen. Many productive areas have been closed off to fishermen due to tourism,” forcing him and others to seek less productive waters that are farther away.

Survey results also indicate that the aforementioned changes are affecting farmers’ and fishermen’s yields. Table 4.7 shows that decline in harvests have been severe: eleven out of 15 respondents reported that their yields fell over 50%; three respondents cited a decrease of 100%. Correspondingly, the income of these workers has also suffered. Average monthly income has declined by 34% over the last five years, dropping from US \$1261 per month in 2000 to US \$829 per month in 2005. Half of survey participants felt that their income has diminished over 50% in the last five years. Clearly, environmental changes on Belize’s coast are having a major impact on the economic well-being of coastal communities.

There is a bright side, however, to at least some of the changes. For those who chose to enter the industry, tourism offers an alternative source of revenue for coastal dwellers. One fisherman commented that “tourism brings people by...[to] take on fishing trips and earn more money.” Even as environmental changes are being felt by fishermen and farmers, some are choosing to supplement their income by providing tourism services. “Same for all fishermen here—tour guiding is a part of our lives here.” However, according to this respondent, “fishing is more important than tour guiding—visitors come and go, but [people] always need fish to eat.”

Table 4.7: Farmers' and Fishermen's Perceived Decreases in Yield and Income

Decreases (%)	Yield N (%)	Income N (%)
0-25%	3 (20%)	3 (21.4%)
26-50%	6 (40%)	4 (28.6%)
51-75%	2 (13.3%)	6 (42.9%)
76-100%	4 (26.7%)	1 (7.1%) ¹⁹¹

In response to perceptions like those reported to us in 2005, the cruise industry has undertaken a number of steps towards implementing better environmental policies. According to a study by Conservation International, for example, there were 87 confirmed incidents of oily bilge and harmful waste discharge between 1993 and 1997, in addition to falsification of discharge records.¹⁹² Responding to public pressure and litigation, the International Council of Cruise Lines (ICCL) adopted the Cruise Industry Waste Management Practices and Procedures in 2001. The two largest cruise companies, Carnival Cruise Lines and Royal Caribbean International, now have corporate programs to implement and at times exceed the policies and practices detailed in the ICCL document.¹⁹³ ICCL is also working with Conservation International to implement a set of recommendations on good wastewater management made by a panel of independent scientists¹⁹⁴.

Even considering improvements made within the industry, cruises continue to create significant impacts on marine and terrestrial environments. One recent study estimated that over 60% of coral reefs in the Caribbean are under threat from human actions.¹⁹⁵ Initially, concern centered on the impacts of anchor-dropping (anchors weigh 5 tons and can destroy 2,100 ft² of reef) and the discharge of oily bilge and other waste in reef areas.¹⁹⁶ While there are now detailed regulations to limit the impact of these particular practices, coral reefs are still under threat from overcrowding and unregulated tourist behavior as reported to us in this study.¹⁹⁷

Habitat deterioration is a serious concern for many people whose livelihoods are dependent on the continued health and existence of Belizean ecosystems. Deterioration to date cannot be blamed entirely on cruise tourism as other factors also play a pivotal role in the fate of the Belizean environment. As previously stated, this study did not undertake to measure levels of habitat disruption or pollution that were the result of cruise tourism. But we did hear from many informants that changes are occurring, due in large part to cruise tourism. And we also heard that these changes may, in return, negatively affect the tourism industry, which is dependent upon Belize's natural environment.

191 Although tourism has decreased yield, some individuals have chosen to supplement their income, which alleviates decreases in earnings.

192 Sweeting, J., Wayne, S. (2003). *A Shifting Tide; Environmental Challenges and Cruise Industry Responses*. 5.

193 Sweeting, J., Wayne, S. (2003). *A Shifting Tide; Environmental Challenges and Cruise Industry Responses*. 6.

194 Conservation International. (2006) <http://www.celb.org>

195 Sweeting, J., Wayne, S. (2003). *A Shifting Tide; Environmental Challenges and Cruise Industry Responses*. 18.

196 Sweeting, J., Wayne, S. (2003). *A Shifting Tide; Environmental Challenges and Cruise Industry Responses*. 18.

197 Sweeting, J., Wayne, S. (2003). *A Shifting Tide; Environmental Challenges and Cruise Industry Responses*. 20.

Waste

As of mid-2006, BTB officials said that only Norwegian Cruise Lines was its offloading waste in Belize.¹⁹⁸ However, the interviews of our study revealed considerable public concern with waste issues. A number of stakeholders mentioned that increasing amounts of waste are being generated by tourists, and they pointed a finger at cruise ships. Greater visitor numbers creates more trash and sewage, which in turn impact water quality and air quality. Increasing amounts of trash are being burned on Ambergris Caye causing elevated air pollution and health risks. “Trash is kept on the island and burned, which may not be good.” A hotel manager mentioned that “pollution from cruise ship passengers affects the rivers.” A hotel owner further commented that “pollution...and noise pollution affect guest stayovers and staff performance.”

Some respondents commented that the growing amounts of waste also seem to be directly related to overcrowding and insufficient monitoring of tourists’ behavior. With more tourists being packed into sites, facilities are hard-pressed to accommodate the growing needs of these visitors, including waste disposal. Of the eleven site destinations surveyed, nine reported an increase in the amount of waste produced by visitors in the last five years. Four respondents thought that cruise passengers were the primary cause; and eight thought that increases in tourists in general were the primary cause.

In addition to the growth in waste materials deposited at sites, an increasing number of respondents reported that they had observed waste in the ocean and waste washing up on the shores. This rubbish was identified as cruise-generated waste because of visible foreign labels. “Cruise ships dump garbage at sea, washes ashore. Also, trash left on reefs after ships pass.” A tour operator concurred that “most of the debris that floats on the island [of Ambergris Caye] comes from the cruise ships. The debris has been increasing since the past two years,” in line with cruise tourism growth. Ships have been reported depositing oil, bilge, and waste offshore. On this issue, Belize’s Chief Environmental Officer explained:

There has been a substantial increase [in waste], which I cannot quantify. Some are hazardous wastes, which need to be incinerated. Trash is off-loaded by Belize Waste Control—[they] charge more for incineration [of wet waste] than dumped [dry] wastes. Yes, there are allegations of cruise ships not separating due to cost of waste removal, thus all [wet and dry wastes are] discarded at [dry landfill] dump in the end. Issues of main concern include garbage, oil, and liquid waste. Tenders are also a problem—no waste treatment facilities onboard—some discharge is made directly into the sea at certain coastal sites.

The Chief Environmental Officer said he is also concerned that the monitoring of anchoring practices (which often cause damage to reefs, as noted above) and of waste off-loading is inadequate and should be strengthened to prevent further abuses. In sum,

¹⁹⁸ Personal communications with BTB’s Anthony Mahler, August 1, 2006.

evidence obtained in this study points to the conclusion that cruise waste needs to be more carefully addressed.

In recent years, waste “dumping” by cruise ships has led to media exposes and outcries from environmental organizations. According to recent studies, a 7-10 day cruise produces one million gallons of grey water and up to 210,000 gallons of black water (sewage).¹⁹⁹ Appropriate marine dumping policies and on-board treatment facilities have been implemented, with the larger cruise companies taking the lead by creating company-specific dumping policies that exceed the expectations of international policy.

The impact of cruise wastes on terrestrial ecosystems is also an issue of increasing concern. A single cruise passenger generates two pounds of solid waste each day, in addition to two bottles and two cans counted as recyclable waste.²⁰⁰ While it is certainly an improvement that cruise ships are no longer allowed to dump this waste at sea, much of the waste now ends up in host country landfills.²⁰¹ Landfills, trying to manage the new influx of material, expand much more quickly than planned. The uncalculated expansion often results in habitat loss and pollution of local resources.²⁰²

Concluding Remarks

To conclude this section, there are several overarching themes that warrant emphasis. According to respondents, tourism—though imperfect and riddled with complications—is essential to Belize. No end to tourism is in sight, nor is it desired.

As outlined, cruise tourism is responsible for positive *and* negative economic, socio-cultural and environmental impacts (Table 4.8). Additional tourism management must seek to maximize the positive and minimize negative impacts of cruise tourism and to evaluate its role in relationship to ecotourism, an older tradition in Belizean tourism.

One refrain we heard clearly in this aspect of the study: there is a resounding call for better tourism management and monitoring schemes, particularly in regard to cruise tourism. “Everyone has as much right to see [Belize] as locals, guides and even archaeologists do. Tourism itself isn’t bad; it’s tourism management that’s bad. [It] can be good if managed appropriately, i.e., [if you] don’t compromise standards.”²⁰³ The rapid growth of the cruise industry has created many novel pressures and problems. Cruise tourists, tour operators and cruise lines should be monitored and adequately educated about their surroundings and their impacts on Belize’s tourism capital. And, growth and development of the industry—at all costs—must be sustainable. A Belize tourism official concurs that cruise tourism requires “tighter coordination and

199 Cruise Ships; More Ships, More Passengers, More Pollution. Bluewater Network. Retrieved on July 17 2006 from Bluewater Network Web site: http://www.bluewaternet.org/campaign_ss_cruises.shtml for pdf copy of report; See also Sweeting, J., Wayne, S. (2003) A Shifting Tide; Environmental Challenges and Cruise Industry Responses.

200 Sweeting, J., Wayne, S. (2003). A Shifting Tide; Environmental Challenges and Cruise Industry Responses.

201 Davenport, J. Davenport, J. (2006). The Impact of Tourism and Personal Leisure Transport on Coastal Environments: A Review.

202 Davenport, J. Davenport, J. (2006). The Impact of Tourism and Personal Leisure Transport on Coastal Environments: A Review.

203 Expressed by the Director of the Belize Institute of Archaeology.

monitoring.” In particular, better environmental impact monitoring is required to better assess the changes that have been brought on by cruise tourism development.

Table 4.8: Perceived Impacts of Cruise Tourism Voiced by Informants

	Positive Impacts	Negative Impacts
Economic	Increased revenue & investments Increased jobs Infrastructure development	Insufficient spending Conflicts with stayover visits Insufficient trickle-down
Socio-cultural	Cultural sharing and learning	Increased crime & drug use Rise in land prices Overcrowding Traffic congestion
Environmental		Overcrowding Diminished access to resources Increased waste & pollution

5. CONCLUSIONS AND RECOMMENDATIONS

“No everything yu plant grow and no everything when grow day u plant.”
-- Belize proverb

Conclusions

This proverb was quoted by then Tourism Minister Mark Espat in his keynote address to the September 2004 Cruise Tourism Impact Forum. In a balanced manner, his speech raised key issues facing Belize and, indeed, facing much of the rest of Central America and the Caribbean. Minister Espat went on to say that, “in many ways, the discussion of cruise tourism’s impact on Belize and on the tourism industry involves our expectations from the seeds that we have planted and our concerns about the actual produce in some trees that we may not have planted.”²⁰⁴

Since 2000, the cruise industry has really blossomed in Belize, and virtually everyone now views it as a permanent part of the country’s tourism landscape. But, as BTB’s Director of Product Development, Anthony Mahler, noted back in 2003, the growth of the cruise industry in Belize “has been too rapid,”²⁰⁵ and has created many challenges. In 2005, Belize received about 800,000 cruise passengers—almost three times the size of its population of 280,000, and a fourteen-fold increase since 2000.

Another milestone was passed in 2002, when cruise passenger numbers surpassed stayover visitors, long the stable of Belize’s tourism industry. This fact, too, creates both opportunities and concerns. As Espat reminded his audience at the 2004 cruise forum, “Unlike so many other destinations in the Caribbean and in Central America, Belize tourism has NOT been a mass tourism, thousand-room hotel, casino, shopping, all-inclusive destination. Since the early 1960s, we have built a reputation, customer by customer, property by property, tour by tour, with an average size of just 11 rooms, charging a premium for exclusivity. Belize is a destination that you grow attached to—you fall in love with the people, you marvel at the diversity and proximity—1 in every 3 overnight visitors returns to Belize.”²⁰⁶

There are, however, indications that cruise tourism numbers may now have peaked in Belize; the decline begun in 2005 is expected to continue through at least 2007.²⁰⁷ While the reasons—including hurricanes, redeployment of ships to Alaska and Europe, and relief work off of New Orleans—are not of Belize’s makings, this drop could well be

204 Espat, Keynote.

205 Mahler, “Belize Draft Cruise Ship Policy Document,” 2003.

206 Espat, Keynote.

207 Personal conversation, Anthony Mahler, Belize City, August 1-2, 2006

a blessing in disguise. Belize, as an English-speaking destination with outstanding natural, cultural and archeological offerings, political stability, and relative proximity to the United States, is likely to remain a staple on Caribbean cruise line itineraries. However, somewhat lower and more stable arrival numbers would offer an opportunity for the Belize government, together with the tourism industry, NGOs, and other stakeholders, to craft a revised National Strategic Plan. We hope this study will contribute to that effort.

The central focus of our work has been to examine the terrestrial impacts—economic, social and environmental—of cruise tourism, a topic that has received surprisingly little study to date. From the outset the study has had four main goals:

1. to review the history, policy making, and public debate about cruise tourism in Belize and compare it, where possible, to stayover tourism;
2. to assess spending patterns, activities, perceptions and preferences of cruise visitors when they visit Belize City, using a large and systematic survey;
3. to compare these patterns and preferences from our survey with comparable data for stayover tourists from the 2003 departure survey conducted by the Belize Tourism Board and Central Bank of Belize, plus compare their public revenue and employment generation capacities; and
4. to assess more generally the social, economic and environmental impact of cruise tourism as inferred from interviews with a wide sample of stakeholders.



Cruise Passengers at the Tourism Village

Other aspects of cruise tourism’s impact—most importantly its effects on archeological sites, marine parks, and coastal waters—have been partially addressed here. Careful direct measurement of those impacts on ruins, reefs, parks and other sites, of course, involves far more extensive, longitudinal fieldwork than we had the time or funds to undertake. So we have taken a different approach—that of collecting observations and assessments from a cross-section of some of the country’s most knowledgeable people, and woven these views together into a textured, qualitative picture of the terrestrial impacts of cruise tourism. In addition, we have reviewed and included salient findings from other studies of environmental impact on Belize’s marine and terrestrial reserves. We have not, however, examined in depth several important issues, including issues around cruise ship waste disposal, provisioning in Belize, or port taxes. Similarly, we did not have time or resources to study the comparative advantages of cruise vs. cargo ships or of mass vs. “pocket” cruise tourism.

Instead, what we have are two fairly large data sets, generated with care from more than 600 cruise passenger surveys, and from more than 100 stakeholder interviews. These data allow us to reach a number of conclusions regarding the challenge of balancing the needs of stayover and cruise tourism. We also offer a series of recommendations intended to help inform discussions as Belize enters the planning stages of a new Tourism Master Plan, as well as to become part of regional discussions

around how governments and other stakeholders can develop joint policies for better managing cruise tourism. The Belize government, like others in Central America and the Caribbean, is faced with choices about how to best use their resources to promote these very different types of tourism.

Belize's unique location and natural resource endowment are well-suited for this kind of study because they suggest that conclusions from a study of Belize may enjoy wider applicability in the tropics. Geographically, this small country straddles the two worlds of Central America and the Caribbean. Belize has been both the fastest growing cruise market in the Caribbean, and a bellwether for Central America where it leads the pack in terms of growth rate and size of cruise tourism. Globally, both cruise tourism and "experiential" tourism (including ecotourism) are growing rapidly. In Belize, perhaps more than anywhere else in either region, cruise tourism is competing with—in some instances colliding with—ecotourism, i.e., small-scale nature and cultural stayover tourism. Many observers recognize the economic contributions of cruise tourism but worry that massive cruise tourism is undermining its secluded, eco-friendly image, and thus killing the "golden goose" of ecotourism.¹⁹⁰

Happily, the picture is not entirely negative. In fact, there are a number of positives, and Belize has laid down some key building blocks for sustainably managing its tourism industry, of both cruise and stay-over forms. Belize was the first country to develop a national Cruise Ship Policy and to foster multi-stakeholder discussions around both cruise and stay-owner tourism. It also hosted the first ecotourism summit back in 1991,²⁰⁸ has 42% of its territory under conservation, has a vibrant and extensive ecotourism sector, and has a host of NGOs actively supporting and monitoring ecotourism, protected areas, and cultural sites.

As elaborated in this report, some important policy objectives have been met, particularly in terms of offering passengers a wide variety of tours and excursions based on Belize's natural and cultural/historical attractions and using Belizean personnel and companies. In addition, the requirement that cruise ships shut down their onboard entertainment activities while in port appears to have helped increase the percentage of disembarking passengers. Belize has, in fact, the highest percentage of passengers disembarking—85%—of anywhere in the Caribbean, and the level of visitor satisfaction with Belize is, passenger surveys found, very high (Table 3.8).

In crafting our recommendations, we have kept in mind a number of positive aspects of cruise tourism as it has been and is carried out in Belize. Briefly summarized, these include:

- **Excursion offerings:**
 - A larger number of tours than at other ports of call
 - Built on Belize's core natural, cultural, and archeological offerings
 - Not dependent on duty-free shopping
- **Cruise passengers:**
 - Highest percentage of disembarkation in the region

208 Espot, Keynote.

- High level of visitor satisfaction with tours
- Notable willingness to pay more
- **Infrastructure Improvements**
 - Creation of Tourism Village
 - Upgrading of Belize City
- **National Cruise Policy, 2000 and 2003**
 - First in region
 - Set clear and reasonable targets and policies
 - Active NGO and industry involvement

With this positive record, it is understandable why many in Belize view cruise tourism as a tool for creating employment, improving infrastructure, generating revenue through sales and taxes, and spreading the benefits of tourism to many small operators. However, the historical record also shows a consistent tendency in the industry toward maximization of onboard spending, control of onshore tours, and vertical integration of shore-side businesses. At the 2006 Seatrade “State of the Industry” debate held in Miami, the President and CEO of Holland America, Stein Kruse, bluntly declared that “the goal [of new shipboard product development] is to keep the passengers spending on the ships rather than in port.”²⁰⁹ As noted earlier in the report, there is thus a competitive dynamic between the objectives of the cruise industry and the goals of Belize and other host countries.

Over the last five years, the cruise industry, in alliance with a handful of powerful interests in Belize, has proved successful in compelling the Belize government to reduce the passenger head tax, cut or eliminate other taxes and duties, privatize cruise piers, and raise the ceilings on visitors/day. “Preferred” tour operators and businesses endure sizeable commissions and markups on their products and services, usually 100%.²¹⁰ While over 50% of the head tax returns go to the Tourism Village owned by Royal Caribbean and Diamonds International. The result is that while more than 3.4 cruise passengers arrived for every stayover visitor in 2005, cruise tourism generated only 17.5% of the total tourism revenue. In dollar terms, cruise tourism generated US \$30.6 million in 2005 compared to US \$144.1 million for stayover tourism.²¹¹ Moreover, the difference in average amount spent per day by stayover visitors (US \$96) is more than double that of cruise passengers (US \$44). Given that stayover visitors spend an average of 6.8 days in Belize, this difference translates into an average of US \$653 that the stayover tourist spends in the country per visit. Put another way, the average stayover visitor



Gated entrance to Fort St. Tourism Village

209 Green, M., “Cruise Executives are Bullish on Industry Growth Prospects” Travel Trade, Retrieved on July 18, 2006 from http://www.traveltrade.com/headline_news.jsp?articleID=7308.

210 Personal interviews with BTB and Tourism Village officials, July – August, 2006.

211 BTB, 2006. Tourist Arrivals, 1998-2004, email from Raymond Mossiah, April 4, 2006. “Belize Tourism Statistics”, www.belize tourism.org/revenues.html, accessed July 12, 2006.

spends 14.8 times more than the average cruise passenger. Such realities, coupled with the current decline in cruise tourism, are leading some formerly strong supporters to reflect about the benefits both to individual businesses and to the country as a whole. As one Belizean who has worked for and publicly championed the cruise industry told CESD and INCAE researchers, “I now believe the cruise industry has been disastrous for Belize. The pressure is always for lower rates, and the commissions paid to cruise lines have increased over time. A number of people mortgaged their homes to buy tenders, and with the new ports, they won’t need tenders.”²¹² Regrettably, Belize is not unique: studies in Dominica, Costa Rica and Honduras have found similar spending patterns.²¹³ Other important differences between cruise and stayover passengers which, we believe, have significance as Belize reviews and revises its national policies, are summarized in Table 5.1.

Table 5.1 Comparison of Cruise and Stayover Sectors

Topics	Cruise Sector	Stayover Sector
Arrivals (2005)	800,331	236,573
Country of Origin	96% from U.S.	Almost 40% from countries other than the U.S.
Market stability	2000-2005: 14 fold increase 2005-2007: significant decline	Gradual increase: 4% - 8%/year
Passenger Spending/day	US \$44/day	US \$96/day
Passenger Spending/visit	US \$44/visit (average 8 hours)	US \$653/visit (average of 6.8 days)
Taxes	US \$ 7/passenger	US \$36.25 airport exit tax; 9% hotel tax
Total Passenger spending in local economy (BTB, 2005)	US \$30.6 million	US \$144.1 million
Employment ²¹⁴	1/10 tourism jobs	9/10 tourism jobs

212 Personal interview, anonymous sources, Belize City, August 1-3, 2006.

213 In 2003, cruise tourism to Dominica contributed 15% and stayover 85% of total tourism expenditures, even though 2.4 times more cruise passengers (177,000) arrived than stayover visitors (74,388). DM Russell Consulting Inc. “Dominica: Working Draft Tourism 2010 Policy Report.” (2004, August). Prepared for the National Development Corporation. 3, 40-41, 55; In Honduras, CESD’s study found that stayover tourism produced 24 times as much income for the country than cruise ship tourism. In Costa Rica, passenger spending is US \$55 per visit, while in Honduras it is US \$63.77. CESD, “Elementos de política para un turismo de cruceros sostenible en Centroamérica,” draft, August 7, 2006, p.2.

214 Minister of Tourism Mark Espat gave this figure at the 2004 Cruise Tourism Impact Forum, however, BTB official Anthony Mahler said in August 2006 that total employment by Belize’s tourism industry is about 13,000, there is no accurate breakdown of the number working for cruise tourism and for stayover tourism. A sizeable number of Belizean work in both sectors.

Recommendations

Based on the analysis of our field data, combined with a broad-scale review of pertinent policies, reports, and studies, our conclusion is that Belize's cruise tourism is on an untenable course. While the official policy continues to be to promote "responsible tourism" that ensures environmental and socio-cultural sustainability, in practice, the country's tourism policies support cruise tourism often at the expense of stayover tourism that (a) has a lighter environmental and social footprint, (b) brings higher economic returns per person, per visit, and in total revenue, and (c) has been the historic mainstay of Belize's tourism reputation. As the country seeks to revise its tourism strategy and cruise policy, we suggest four broad policy considerations and a series of specific recommendations that should be considered. Some apply specifically to Belize; others could be adopted collectively by the governments of Central America.

1. Approach cruise lines with united, transparent negotiating policies designed to maximize social and economic value.

The rationale for Belize or any country to receive cruise passengers is its potential to create value for the society—through income and jobs for local residents, generation of capital investment, improved quality of life, and other means. To date, the evidence from Belize is that cruise tourism creates relatively little value for local communities, contributes relatively little to public revenues, and consumes resources that could support the development of higher value uses.

The cruise lines have succeeded in taking strong negotiating positions. The enormity and economic muscle of the three cruise conglomerates, their alliance with a small but influential elite in Belize, and their capacity to play destinations against one another has made it difficult for any government to establish conditions significantly more favorable than those currently observed. In the context of Central America, this type of competition leads to little local value creation and little multiplier effect within the country.

The only opportunity for Belize to improve these terms is through a united and cohesive negotiating position nationally and, if possible, in unison with other countries in Central America. This will require Belize as a whole to establish a coordinated and transparent position (on fees, commissions, products, services, participants, investments, services, quality of ports and companies, etc.) and present a unified package to the cruise lines as the country's negotiating position. Given the market structure, only this approach can permit Belize to ensure a beneficial set of conditions for government, communities, and its private sector. In addition, to the extent that the Central American countries can agree on a common set of terms and guidelines for negotiating, their position will be enhanced.

The Government of Belize demonstrated leadership as the first country in the region to adopt a national cruise policy. The country is fortunate to have a range of active and engaged civic organizations that can and should be involved in setting national tourism policies. Belize's position should be based upon a clear, publicly articulated definition of the development goals sought from cruise tourism (economic, social, environmental, governmental, etc.) and from alternative strategies and investments.

If the terms that the cruise lines offer are not sufficiently beneficial to the country (sector participants and non-participants, national and local government, local communities and stakeholders broadly), then Belize should consider “walking away” from the negotiations. Social benefit cost analysis and real options analysis are useful tools in considering where to “draw the line.”

If the country negotiates from a unified position, it seems possible that terms could be improved and domestic mechanisms such as licensing of tour companies, certification of sustainable practices, and other mechanism would then become viable policy tools to improve the quality and price of cruise tourism services. Some specific recommendations as components of a broad national negotiating position include:

a. Head Tax: Belize’s current US \$7 per passenger tax should be increased. It is below the Caribbean average (US \$ 8.66) and is a fraction of the airport exit tax (US \$36.15). Our data show that cruise passengers are willing to pay US \$25-\$50 more to disembark in Belize. Therefore, in future negotiations with the cruise lines, Belize should insist on a higher head tax. At the same time, the Government of Belize should begin a dialogue with other governments in the region about the establishment of head tax levels that meet a consistent minimum level from one country to the next. Establishing a minimum cruise head tax level that is consistent across Central America and (ideally) the Caribbean would help avoid a race to the bottom as countries compete with each other to attract the cruise industry.

b. Commissions on excursions: Belize (and other countries) should examine the fee structure of commissions paid by local businesses in return for access to cruise passengers. These commissions should be publicly known, based on agreed upon criteria, and the higher prices should be presented to cruise passengers in terms of assuring reliability, safety standards, quality guides, and good service from those tour operators selected to work with the cruise lines. If commissions are paid to the cruise lines, then they should bear some of the responsibility for raising standards and ensuring quality.

c. “Preferred” companies and vendors: In order to ensure more equity, transparency, and financial benefits to local businesses, the BTB should work with the local tourism industry and the cruise lines to set up a transparent system for selecting and licensing which local businesses will be promoted in tours sold by cruise lines (on the ship and online) as well as those licensed to sell in the Tourism Village, the Carnival pier, and other areas designated for cruise passengers. The Cruise Tourism Licensing Committee, proposed by the 2003 Cruise Ship Policy provides the broad outline of a licensing process. However, this process could also include initiatives to improve quality standards, ensure safety, and promote sound environmental and social practices, including certification.

d. Community Development and Environmental Funds: Over the last decade, many ecotourism businesses have undertaken programs to support social and

environmental projects in the host community or country. The cruise lines should be encouraged to participate in this growing movement, known as Travelers Philanthropy, through both corporate donations and voluntary passenger contributions. Projects to be supported should be selected by the cruise lines and their local agents, in collaboration with local NGOs and the tourism associations. The 2003 Cruise Ship Policy mentions that Belize was considering a CTO proposal “to establish a Sustainable Tourism Development Fund” that would generate revenue by levying at least US \$20 on every cruise ticket sold by cruise lines traveling to any CTO member state.”²¹⁵

2. Invest public funds in accordance with public benefit.

One of the key issues relating to the overall cost-benefit and value creation for a society are the opportunity costs of public funds. Belize, like other governments, has a right and obligation to ensure that scarce public funds be dedicated to activities that provide the greatest public benefit. Decisions on potential investments to support cruise tourism must be compared with 1) realistic estimations of the benefits they will generate, 2) other potential investments within the tourism sector, and 3) other investments outside the sector that could achieve similar development outcomes.

The empirical evidence from Belize suggests that the benefits from cruise tourism do not justify substantial public investment. This can apply to both existing investment (in the Tourism Village) and to new investment (in the Carnival pier). Specific recommendations include:

- a. Privately owned infrastructure:** At present, US \$4 of the US \$7 head tax goes to the privately owned Tourism Village and is therefore subsidizing Royal Caribbean and Diamonds International’s operations in Belize. The head tax is widely recognized as a tax the cruise industry pays to host countries and therefore these funds should be used to manage and improve public sites and protected areas and to further improve infrastructure. Belize should examine whether there is potential to renegotiate the terms of both the Tourism Village and the Carnival pier contracts. The goal should be to refrain from offering a portion of the head tax to finance any privately owned infrastructure or business projects of the cruise industry or other private entrepreneurs.

3. Mitigate negative environmental and social impacts and damage to national tourism assets: Despite significant positive impacts, there are a number of negative impacts generated by cruise tourism that must be mitigated, even if Belize is able to negotiate better terms and scale investment to correspond better to actual benefits. Among the most notable impacts identified through interviews as well as in public forums and the press are:

- Inadequate disposal of solid and liquid waste.
- Suspected dumping of waste in territorial waters.
- Damage to high-value national tourism assets.

215 Belize Tourism Board. (2003). Belize Cruise Ship Policy, 11.

Recommendations for addressing these include:

- a. **Setting realistic numbers:** The limits of acceptable change (carrying capacity) need to be determined at all sites, and subsequently enforced. Any given tourism excursion site can only accommodate a certain volume of visitors at any given time before it becomes subject to overcrowding and undue wear. In these cases, the experience is diminished for all visitors and the sustainability of the site over the long term is threatened. It is therefore important to set and stick to a manageable ratio of cruise passengers per guide and number of people permitted at a time into sensitive and protected areas. There should be both government and industry training programs for guides, as well as fines for violators. Repeat violations should lead to tour operators and guides losing their licenses. As existing excursion sites reach their limits of acceptable change, it will be necessary to develop additional tourism products in order to accommodate continued large numbers of visitors, and to account for peak volumes.
- b. **Prohibit cruise tourism to pristine and valuable eco-systems and cultural sites:** High volume or high impact tourism from cruise ships should not be permitted in pristine or fragile areas. The costs of opening or damaging these areas (cultural, environmental, and historic) simply do not justify the limited benefits to the host country.
- c. **Monitoring and Impact Assessment:** Currently, there is no on-going, scientific monitoring of protected areas used for cruise tourism in Belize, despite reports that damage is being done. If national assets are to be used for cruise tourism, logically cruise revenues should also contribute to their maintenance. We suggest a modest per capita “environmental fee” be established to provide annual funds for ongoing monitoring and impact assessment under the direction of the Ministry of the Environment. If, for example, a modest US \$2 per passenger environmental fee were added to the head tax, an annual fund of about one million dollars could be available for monitoring, at current and projected levels of cruise visitation.
- d. **Off-loading of waste:** Belize (and other countries) should prohibit off-loading of any waste until they have defined proper disposal technology and location and put verification mechanisms in place. Belize currently off loads tons of solid waste from Norwegian Cruise Lines, but has only one sanitary land fill, located within Belize City limits. Once a manifest system is in place and licensed haulers identified, a simple confirmation system should suffice.

4. Strengthen the country’s core assets and international tourism reputation: Belize has earned an international reputation for its outstanding coral reef, national parks, and archeological sites and for its small hotels catering to a discriminating clientele. Large groups of cruise passengers are now using the same resources, during the same peak seasons, and this is deteriorating the infrastructure or quality of tourism experience. One of the most consistent complaints our data revealed is that large

groups of cruise tour passengers are interfering with the experience of ecotourists who come to Belize's reefs, parks and archeological sites singly or in small groups. Higher-value stayover tourists create substantial economic and social benefits for the country, visitor sites, the tourism industry, and local communities. If the sites or areas the stayovers visit are overcrowded or overused, show signs of poor maintenance, or otherwise deteriorate, their willingness to pay for these sites and willingness to return to the country will be reduced. To the extent that mass cruise tourism is reducing the quality of the experience of stayover tourists, the country suffers.

Policy recommendations include:

- a. Separating Cruise and Stayover Visitors:** In order to protect Belize's extremely important stayover market as well as its fragile marine and terrestrial protected areas, it seems prudent to separate cruise and stayover visitors by reserving certain sites and facilities for cruise passengers on particular days. The Tourism Village is a good start, but much more needs to be done to ensure that cruise passengers and stayover visitors don't co-mingle. Some of the most fragile sites should not be used by cruise passengers. In addition, special parks and beaches can be created and managed for cruise passengers, as is being proposed under the Peccary Hills Conservation Area.
- b. Improve infrastructure and offerings in and around Belize City:** While some progress has been made, our surveys and press reports show that cruise passengers often complain they found little to do in Belize City, while many are worried about crime and other social ills. The government, together with the tourism industry and civic associations could invest more in upgrading and expanding the urban facilities and offerings. Among the potential strategies are the following:
 - **Handicrafts and Souvenirs:** The passenger surveys show a stronger preference for shopping for local handicrafts and souvenirs, and that duty-free shopping has low priority for those disembarking in Belize. Rather than expanding the duty-free shops (and adding a casino), the range of local products and local cultural activities should be expanded for those staying in and around Belize City. Investments should be made by government, the private sector, and NGOs in raising the standard and increasing the offerings of handicrafts and souvenirs and highlighting local customs and festivals. This will both serve to increase expenditures in Belize and to meet passengers' desire for local crafts.
 - **Local cuisine:** Globally, food is an area of increasing interest and concern with all types of tourists. Restaurants and food stalls should be encouraged to promote Belizean cuisine, locally grown fruits, vegetables, seafood, and other local products. Restaurants and hotels could demonstrate local recipes, local festivals could feature in-season produce. A national network of restaurants featuring local cuisine could be developed and promoted to both cruise and stayover passengers.

- **New products:** Some designated hotels in or near Belize City could offer new products that both capture current market trends and showcase the best of Belizean culture and climate. Excursions could include a spa/hotel offering massages, yoga, mineral baths; dance and language (local dialect) lessons; local dance classes, or tours of organic coffee and other farms.

In the process of compiling this report, we have identified several areas where we believe further research is necessary. These are as follows:

- Training Belizeans to repeat current study:** The current study of the impacts of cruise tourism on host countries, communities, and visitor sites should be carried out every two years, preferably during the tourism high season. CESD is prepared to train a team at the University of Belize in the methodology, so that the University of Belize could take over this project in the future.
- Methodology for monitoring and impact assessment:** There is an urgent need to find funding and devise a methodology for doing ongoing monitoring of the impacts of cruise tourism on both marine and terrestrial projected areas, as well as unique archeological sites. CESD is prepared, together with INCAE, Environmental Defense, the Ministry of the Environment, and other local government and NGO agencies, to create a template for how to carry out impact monitoring and how to create a tool that is useful to the wider community.
- Employment breakdown:** In assessing their relative value, both cruise and stayover tourism claim that they are generating a significant percentage of the jobs in tourism. But empirical data have been lacking. CESD is preparing to set a survey questionnaire and methodology for determining the percentage of jobs generated by the cruise and stayover sections, the salary and tips earned within each, and the crossover between the two sectors, as well as with other possible income categories.
- Study of stayover tourism sector:** There is a need to undertake a parallel study of the stayover tourism sector that goes beyond the rudimentary questions covered by the exit surveys. CESD, together with the University of Belize and INCAE, and in collaboration with BTIA and BTB, could undertake this survey, based broadly on the same type of questions, survey and interview techniques, and academic methodology used in the current study. We believe this type of analysis is vital to help Belize determine the relative value of the cruise and stayover sectors and to fully assess their economic, social and environmental impacts.

In summary, we see the challenge ahead for Belize as one of finding a constructive, dynamic balance between the relative “newcomer,” cruise tourism, and the country’s historic mainstay and reputation-builder, ecotourism. Because there is a substantial

time-depth to ecotourism in Belize, this balance is not an abstract or “in principal” concept. We propose that cruise tourism in the country should be supervised and regulated by government and stakeholders so that its positive impacts can be maximized, and its continuation does not constrain or interfere with the continued development of bona fide ecotourism in the country. Any indication that consumer demand for ecotourism in Belize is unambiguously hindered by cruise activity, whether because of direct effects (overcrowded sites, environmental damage, etc.) or indirect effects (damage to its eco-friendly image, overexposure among consumers), is an indication that regulation of the cruise industry needs tightening or adjusting. Our recommendations about increasing the economic contribution of cruise tourism, about mitigating its environmental impacts of cruise tourism, about adhering to realistic limits on cruise visitor volume per year, and about separating cruise tourists and ecotourists in space and time are examples of regulations that will help meet this goal. Because ecotourism actively and deliberately promotes both environmental conservation and local livelihoods, we believe its dynamics can be helpful and effective in creating policies to effectively monitor the trajectory of cruise tourism in Belize. The time has come to chart a sustainable course for cruises to Belize.

APPENDIX A

ABOUT THE CENTER ON ECOTOURISM AND SUSTAINABLE DEVELOPMENT (CESD)

The Center on Ecotourism and Sustainable Development (CESD), launched in 2003, is a joint project of the Institute for Policy Studies and Stanford University. Headquartered in Washington, D.C., CESD functions as a bi-coastal institute, offering programs, conferences, courses and research projects at both of its locations, as well as field research opportunities at home and abroad.

CESD uses policy-oriented research to design, monitor, evaluate, and improve ecotourism, as well as to promote sustainable practices and principles within the wider tourism industry. It focuses on ecotourism as a tool for poverty alleviation and biodiversity conservation.

For more information on this and other research, please contact Stanford Coordinator, Geraldine Slean (geraldine@ecotourism.org).

CESD Headquarters:
1333 H Street, NW
Suite 300 East Tower
Washington, DC 20005
Tel: 202-347-9203



www.ecotourismcesd.org

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450 Serra Mall
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Stanford, CA 94305
Tel: 650-723-0894

About El Instituto Centroamericano de Administración de Empresas (INCAE)

INCAE is a private, non-profit, multinational, higher-education organization devoted to teaching and research endeavors in the fields of business and economics aimed at training and instructing, from a worldwide perspective, individuals capable of successfully holding top management positions in Latin America.

In 1964, the business community and the governments of the Central American nations founded INCAE as a priority education initiative. Since its inception it has had the technical supervision of the Harvard Business School, and is recognized as a leading institution for business and economics training and research.

INCAE is presently focused on three key activities:

- Masters programs in areas critical for Latin American development.
- Executive training programs and seminars.
- Research projects on competitiveness in the region. INCAE has an applied approach combining the best practice and the world frontier of knowledge with the realities in Latin America.

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APPENDIX B CRUISE TOURIST SURVEY INSTRUMENT



Cruise Tourism Economics Project

You are invited to participate in a research study about cruise tourism in this area. You are asked to fill in a short survey form that will take approximately 10 minutes. The information you provide will be very helpful for strategic planning in the area.

There are no risks associated with this survey.

Please understand your participation is voluntary and you have the right to withdraw your consent or discontinue participation at any time without penalty. You have the right to refuse to answer particular questions. Your individual privacy will be maintained in all published and written data resulting from the study. You will not receive any mail or email due to your participation.

FOR QUESTIONS ABOUT THE STUDY, CONTACT: Dr. William Durham, Anthropological Sciences, Stanford University, Stanford, CA 94305-2117

(650) 723-0867

If you have questions about your rights as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact - anonymously, if you wish - the Administrative Panels Office, Stanford University, Stanford, CA (USA) 94305-5401 (or by phone (650) 723-2480 - you may call collect).

This study is being conducted jointly by Stanford University, the Central American Institute for Business Administration (INCAE), and the Center on Ecotourism and Sustainable Development (CESD).

Thank you for your assistance.

I. Please tell us about your trip.

1) How many times have you been on a cruise vacation? (check one)

_____ This is the first time _____ 2 times _____ 3-5 times
_____ 6-10 times _____ 11 times or more

2) How long is your trip? How long will it be from when you left your home until you will return home?

How many days or hrs will you spend... Days/hrs
...in total on this trip _____ days
...in this country _____ days/hrs (circle one)
...in the port community _____ days/hrs (circle one)

3) How many times have you visited this country? (check one)

_____ This is the first time _____ 2 times _____ 3-5 times
_____ 6-10 times _____ 11 times or more

4) Are you traveling as: a) an individual; b) a couple; or c) as a family (circle one)
If c) there are _____ people traveling together as a family.

5) On which ship are you traveling? _____.

6) What was the total per person cost of the *cruise portion* of your vacation?
US \$ _____.

7) What was the total round trip per person cost of your *transportation* from your home to the ship?
US \$ _____.

8) Approximately how much additional spending do you have *onboard the ship* per day?
US \$ _____.

9) How many *other locations/destinations* does your cruise include? _____
a. What are the *locations/destinations*? _____.

10) Which other locations/destinations will you/did you *disembark*? All, None, Some.
a. If "some," please list which ones _____.

11) At how many destinations did you or do you plan to *purchase a tour*? All, None, Some.
a. If "some," please indicate how many _____.

II. Trip Characteristics

1) Please check the activities you participated in **during this most recent visit** (check all that apply).

<input type="checkbox"/> Horseback ride	<input type="checkbox"/> Hike/walk	<input type="checkbox"/> Bicycle/Mt. Bike
<input type="checkbox"/> Snorkel	<input type="checkbox"/> Drive for pleasure	<input type="checkbox"/> Scuba dive
<input type="checkbox"/> Sport Fish	<input type="checkbox"/> Wildlife/Birdwatch	<input type="checkbox"/> Shopping
<input type="checkbox"/> Visit archeological sites	<input type="checkbox"/> Boat/boat tour	<input type="checkbox"/> Surf/boogie board
<input type="checkbox"/> Canopy tour	<input type="checkbox"/> National Park visit	<input type="checkbox"/> Windsurf
<input type="checkbox"/> Farm/ranch visit	<input type="checkbox"/> City tour	<input type="checkbox"/> Museum/zoo visit
<input type="checkbox"/> Beach visit	<input type="checkbox"/> Attend sporting event	<input type="checkbox"/> Attend local music/dance
<input type="checkbox"/> Other, please describe _____.		

2) Please indicate your general level of **satisfaction** with your stay in this country (circle one).

Completely satisfied	Satisfied	Not at all satisfied
5	4	3
		2
		1

3) Based on your experiences from this trip, how likely are you to do the following:

Please circle one number for Each item	Very likely		Neither likely nor unlikely		Very unlikely
Visit again on a future cruise?	5	4	3	2	1
Visit on vacation?	5	4	3	2	1
Recommend to friends that they visit on a cruise?	5	4	3	2	1
Recommend to friends that they vacation here?	5	4	3	2	1

Please rate the importance of the following natural and human attributes in your decision to disembark AT THIS PORT.

Importance to your visit

Please circle one number for each item	Very Important	Important	Neither important nor unimportant	Unimportant	Irrelevant (Very unimportant)
Scenic landscapes	5	4	3	2	1
Quality of national parks & protected areas	5	4	3	2	1
Farms & ranches	5	4	3	2	1
Quality of beaches	5	4	3	2	1
Quality of coral reefs	5	4	3	2	1
Friendly people	5	4	3	2	1
Solitude/lack of crowds	5	4	3	2	1
Entertainment/nightlife	5	4	3	2	1
Interesting architecture/built infrastructure	5	4	3	2	1
Local arts & crafts	5	4	3	2	1
Local music, dance, or customs	5	4	3	2	1
'Duty-free' shopping	5	4	3	2	1
High quality services	5	4	3	2	1

(medicine, dentistry, internet)

Personal safety	5	4	3	2	1
Cleanliness	5	4	3	2	1
High quality restaurants	5	4	3	2	1
Interesting/high quality food	5	4	3	2	1
General affordability	5	4	3	2	1

III. Today's expenditures

1. Did you participate in a **tour** today? ____ Yes ____ No.

a. If yes, what tour? _____

b. If yes, what was the per person **cost** of your tour? US \$ _____

c. If yes, did you purchase your tour on the **ship** or in **port**? (please circle one)

2) Excluding tour purchases, what is the total amount you spent (per person) while **off of the ship** today?

US \$ _____.

Of that total **how much** did you spend on the following items...

US \$ _____. Local arts & crafts.

US \$ _____. 'Duty free' shopping.

US \$ _____. Other gifts/souvenirs

US \$ _____. Food and drink.

US \$ _____. Local transportation.

US \$ _____. Event tickets, entrance &/or license fees.

3) As you know, some of the costs of travel have been increasing (fuel prices, fees, taxes). What is the **maximum increase** in your total costs per person you would have been willing to absorb and still have chosen to take this **cruise vacation**?

\$0 \$25 \$50 \$100 \$150 \$250 \$400 \$600 \$850 \$1100 \$1400 \$1800
\$2300

4) What is the **maximum increase** in your total costs per person you would have been willing to absorb and still visit **this port**?

\$0 \$5 \$10 \$25 \$50 \$75 \$100 \$150 \$200 \$300 \$400 \$500

5) The government is considering investment in the maintenance and protection of the nation's natural and cultural heritage. Local **cultural heritage** includes archeological sites, early colonial settlements, music, dance, arts and crafts. **Natural heritage** includes tropical forests, beaches, estuaries and coral reefs. It may be proposed to partially defray the cost of this investment through some sort of a tax. For the purposes of this survey, suppose that this tax was reflected in the cost of your cruise.

a. What is the **maximum increase** in your total costs per person per visit you are willing to pay to help to protect the natural and cultural environment accessed by **this port**?

\$0 \$5 \$10 \$25 \$50 \$75 \$100 \$150 \$200 \$300 \$400 \$500

APPENDIX C
NATURAL/ARCHAEOLOGICAL DESTINATIONS INTERVIEW FORM

Cruise Tourism Project
Consent Form

You are invited to participate in a research study about cruise tourism in this area. You are asked to fill in a short survey form that will take approximately 10 minutes. The information you provide will be very helpful for strategic planning in the area.

There are no risks associated with this survey.

Please understand your participation is voluntary and you have the right to withdraw your consent or discontinue participation at any time without penalty. You have the right to refuse to answer particular questions. Your individual privacy will be maintained in all published and written data resulting from the study. You will not receive any mail or email due to your participation.

**FOR QUESTIONS ABOUT THE STUDY, CONTACT: Dr. William Durham,
Anthropological Sciences, Stanford University, Stanford, CA 94305-2117**

Tel: (650) 723-0867

If you have questions about your rights as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact - anonymously, if you wish - the Administrative Panels Office, Stanford University, Stanford, CA (USA) 94305-5401 (or by phone (650) 723-2480 - you may call collect).

This study is being conducted jointly by Stanford University, the Central American Institute for Business Administration (INCAE), and the Center on Ecotourism and Sustainable Development (CESD).

Thank you for your assistance.



**Cruise Tourism Destinations: Informal Interview
Form C**

**Personnel: Park Rangers, Archeological Site Managers, Dive
Instructors, Guides**

(This is for natural and archeological sites visited by cruise passengers)

Date ____ Interviewer # _____ (circle:) Belize
Survey Code (English, _____)

I. General Information about Interviewee/Personnel

- 1) Please tell us your job title: _____
- 2) What are your duties and responsibilities? (your job description):
- 3) Do you work for the government/national parks, an NGO, private company, or self employed?
- 4) How long have you held this position? _____

II. General Site Description:

- 1) Description (Check all that apply)

Park or Reserve ____ Arch. Site _____ Marine Park ____ Other _____

National (or State) _____ Private _____

- 2) Site Name:

- 3) Number of staff: _____
- 4) What are the main attractions at this site? (What do people come here to see?)
- 5) In what year was this site first opened for visitors?
- 6) Who owns the park/site?

7) Who administers the park/site?

Site Visitation: *Periodicity of Visitation*

1) Does the number of visitors to the site vary by season? Y_____ N_____

(If so:) a. Which months have the highest number of visitors?

b. Which months have the lowest number of visitors?

Peak Season Visitation

2) During peak season last year (2004), how many visitors came here on average per day?

3) At peak season last year, what % of all tourists do you estimate were from cruise ships?

0-25% 26-50% 51-75% 76-100%

4) During 2002 at peak season, how many visitors came here per day?

5) At peak season, 2002, what % of all tourists do you estimate were from cruise ships?

0-25% 26-50% 51-75% 76-100%

6) Five years ago (yr 2000), at peak season about how many visitors came here per day?

7) Five years ago, what % of all tourists do you estimate were from cruise ships?

0-25% 26-50% 51-75% 76-100%

8) Ten years ago (yr 1995), at peak season about how many visitors came here per day?

9) Ten years ago, what % of all tourists do you estimate were from cruise ships?

0-25% 26-50% 51-75% 76-100%

Annual Visitation

10) What is the total number of tourists who visited this site this last year (2004)?

_____ nationals
_____ foreigners

11) What is the total number of tourists who visited this site this last year (2002)?

_____ nationals
_____ foreigners

12) What is the total number of tourists who visited this site this last year (2000)?

_____ nationals
_____ foreigners

13) What is the total number of tourists who visited this site ten years ago (1995)?

_____ nationals
_____ foreigners

14) How do GENERAL (non-cruise) tourists get to this site? _____ Taxi _____ bus
_____ boat _____ rental car _____ tour operator _____ other (specify)

15) How do CRUISE tourists get to this site? _____ Taxi _____ bus _____ boat
_____ rental car _____ tour operator _____ other (specify)

16) Which companies transport most of the cruise passengers?

17) Does someone keep records on the number of visitors to the site? Y_____ N_____

If yes: Would it be possible for me to see those records? I'm interested to know the history of visitation to this site for the last 10 years or so.

Changes in Visitor Facilities and Staff

18) If numbers have increased over the last decade: Have new facilities been added? Y
N

If so, what kind?

New visitor's center: _____

New Museum: _____

New trails: _____ How many kilometers? (length) _____

Other: _____

19) Has the number of staff: _____ increased _____ decreased _____ remained the same?

Fees and Budget

1) What is the standard entrance fee to this site per person?

_____ for foreigners

_____ for nationals

a. What is the fee for cruise ship passengers? _____

b. Do they each pay separately? ___Y ___N

c. Is there a group rate? If so, who pays it? _____
(transport company, tour operator, cruise line?)

2) Does this site have an agreement with the cruise lines to bring cruise tourists here?

Y N

Describe the arrangement:

3) Does a percentage of the fees collected by the site go back to the cruise company?

___Yes ___No ___Don't know

If yes, how much?

4) Does this site have an agreement with tour operators to bring cruise tourists here?

___Yes ___No ___Don't know

Describe the arrangement:

5) Does a percentage of the fees collected by the site go back to the tour operator?

___Yes ___No ___Don't know

If yes, how much?

6) Can you estimate for me please to general operating budget for this site?

(Try you best to get at least an approx figure here...)

III. Tourism Impacts: Positive and Negative

1) Approximately what percentage of the site's total budget would you say comes from foreign tourists *as a whole*? _____ (If difficult to estimate, say: 10%? 20% 30% etc)

2) Approximately what percentage of the site's total budget would you say comes from *cruise tourists specifically*? _____

3) Without the income generated from foreign tourists who visit this site, what would happen to the site's budget?

No change	pinched a bit		Some service cut backs		some staff cut backs		The park would shut down		
1	2	3	4	5	6	7	8	9	10

4) Without the income generated from cruise ship tourists who visit this site, what would happen to the site's budget?

No change	pinched a bit		Some service cut backs		some staff cut backs		The park would shut down		
1	2	3	4	5	6	7	8	9	10

5) What do you regard as the main *positive* effects of tourist visits to this site?
(No prompting!)

6) Are there any differences between the positive effects of cruise tourists and non-cruise tourists? ____ Y ____X__N
If yes, explain:

7) What do you regard as the main *negative* effects of tourist visits to this site?
(No prompting!)

8) Are there any differences between the negative effects of cruise tourists and non-cruise tourists? ____ Y ____N
If yes, explain:

9) What do you think would be the ideal number of visitors per day to the site? ____
Why?

10) Is there ever a crowding problem at this site? When? (what months?)

11) Does the site have a policy or rule for controlling or limiting crowding? What does the policy/rule say?

12) How does the site deal with solid waste?

13) How does the site deal with human waste?

14) Has the amount of waste produced by visitors at the site changed in the last 5 years (since 2000)? _____ decreased _____ increased _____ remained the same?

(If changed:) What do you think are the main reasons for this change?

IV. Perceptions and Indicators of Environmental Change ***Indicator Species and Ecological Communities***

To finish up, let me ask about visitor impacts on the environment at this site:

1) Are there specific animal, plant, flower or coral species that people come here to see? Yes.

Which ones are most popular? (What species do people most want to see here?)

a. On Land:

b. In Water:

2) (For animal species above:) How many times a week do you see these species?

3) (For animal species above:) How many times a week do visitors report seeing those particular species?

4) Five years ago, about how many times per week did you see these species?

5) Ten years ago, about how many times per week did you see these same species?

6) What environmental changes in the site have you noticed in the last 5 years?

a. Changes in fauna:

1) _____ In the total number of species?

2) _____ Any increase or decrease of numbers within species?
Which species?

b. In the last 5 years... changes in flora (plant species):

1) _____ In the total number of species?

2) _____ Any increase or decrease of numbers within species?
Which species?

c. In the last 5 years... changes in habitats within the site (ie wetlands, primary forest, secondary forest):

8) _____ Are some habitats expanding in area? Which?

9) _____ Are some habitats decreasing in area? Which?

10) _____ (if park:) Deforestation in the site in the last 5 years?

11) _____ Change in water quality in the site in last 5 years?

12) _____ Change in pollution in last 5 years?

(If changes:) What do you think has caused these changes?

(If cruise visitors are mentioned, then ask: "What environmental changes do you believe cruise visitors are responsible for?")

7) Does the site keep records or logs of important wildlife, fish, or bird sightings?
If so, would it be possible for me to see those records?

8) Are there any scientific studies of flora and fauna in this region? If so, do you have a copy I could look at? Do you remember the names of the researchers who did the study so I can contact them?

9) Who else should I interview about this site?

MANY THANKS FOR YOUR HELP!

APPENDIX D
HOTEL/ LODGE/RESORT INTERVIEW
FORM D

(This is for accommodations near the port and away from the port, including resorts, hotels, and nature-based lodges).



Date ____ Interviewer # 1
Survey Code (English, # ____)

I. General Information

- 1) Are you the owner or the manager? ___ Y _____ N
- 2) Where does the owner (if appropriate “you”) live for most of the year?
- 3) How long has this hotel/lodge/resort been in operation?
 - a. How long has it been under the present ownership?
- 4) Describe your hotel, resort or lodge and the activities associated with it.
Guest capacity ____ Number of rooms ____ Bar
Swimming Pool ____ Sauna ____ Massage ____ Restaurant

Other services and activities:

- 5) Is your lodge an ecotourism operation? ___ Y _____ N
 - a. If **yes**, explain **how**:
 - b. (If **yes**) Are you a member of The International Ecotourism Society (TIES)?
___ Y _____ N
- 6) Are you originally from this area (province, county equivalent)? _____ Y _____ N

a. If **not**, where are you originally from? _____

7) (If different from person being interviewed:)

What country is the owner from?

Where does the owner live for most of the year?

8) How many employees do you hire during the peak season?

a. How many of these employees are foreigners? _ From where? _____

9) How many employees do you hire during the slow season?

a. How many of these employees are foreigners? __ From where? _____

10) Where do your guests come from? (countries for foreigners and municipalities for residents)

11) What % of your guests come from the United States and Canada (combined)?

0% 10% 25% 50% 75% 100%

12) On average, how long do guests stay at your hotel? _____ nights

13) What is the price range a couple would expect to pay for 1 night at this hotel/lodge during **peak** season: (specify currency) \$ _ to \$ _____

a. During the **off-season**: (specify currency) \$ ___ to \$ _____

14) On average, how much does a guest spend at the hotel for services and purchases (souvenirs, meals, etc) **other than lodging** for his/her **total stay**?

< \$100 \$100 - \$ 500 \$501 - \$1000 \$1001 - \$3000 > \$3000

15) Have you expanded or diversified your business within the last 10 years?

__ Y __ N

a. If yes, explain **how**: _____ additional rooms _____ additional services: list
_____ additional products _____ other (describe)

b. If yes, explain **why**:

II. Cruise Tourism and Hotel Operation

1) How far are you from the port where cruise ships dock? 141 km

Next to Within ½ km. > ½ km - < 3 km > 3 km

2) How far is your hotel/lodge from a major tourist attraction (church, museum, park, other)? (which tourist attraction: ____)

Next to Within ½ km. > ½ km - < 3 km > 3 km

3) When a cruise boat docks, how many passengers will come to your hotel to use your facilities (restaurant, bar, pool, beach, private park, take excursions, etc)? number:

4) Do you have any special arrangements (contracts) with cruise companies to provide services to cruise passengers? _____Y ____ N

a. If so, which ones? (name the companies)

b. Describe how this arrangement works:

c. What percentage of total cruise tourist expenditures do you return to the cruise ship company? _____ %

5) Since the year 2000, has your occupancy
__ stayed the same? ____ increased? _____ decreased?

6) What do you think the main reasons for the stability/increase/decline in your occupancy rate were?

Good product delivery and marketing

a. (If not discussed above, ask:) Has 9-11 had an impact on your occupancy rate?
____ Y ____ N (if **yes**, has it increased or decreased your occupancy)

b. Has the growth of cruise tourism had any impact on your occupancy rate?
____ Y ____ N

c. Have government exit fees had any impact on your occupancy rate??
__ Y ___ N at camp sites because economy tourists don't come

d. Has the escalating cost of gasoline had any impact on your occupancy rate?
__ Y ___ N product price

7) In your view, do government efforts to promote tourism have an impact on the image and reputation of this destination? ___ Y ___ N

a. If yes, describe: (capture in the respondent's own words)

b. Over all would you say the impact is:

Positive

Negative

Balanced

8) In your view, does cruise tourism have an impact on the image and reputation of this destination? __ Y ___ N

a. If yes, describe: (capture in the respondent's own words)

b. Over all would you say the impact is:

Positive

Negative

Balanced

9) In your view does cruise tourism have an impact on the experience stayover tourists have in parks, on the reef, on excursions, etc? __ Y ___ N

a. If yes, describe (capture in the respondent's own words)

b. Over all would you say the impact is:

Positive

Negative

Balanced

10) Whom else would you recommend I interview?

Thank you for your assistance.

APPENDIX E

BUSINESS INTERVIEW FORM

Business Owner Informal Interview Form E

(This should include a mix of businesses – shops, artisans, transport, restaurants, tour operators—both catering to cruise ships and those that are not; but **not** including hotels or lodges.)



Date: Interviewer #
Survey Code (English, # E1)

I. General Information (Affiliated Business Owner)

- 1) What is your position (in this business)?
- 2) What is your job description?
- 3) Please describe this business:
- 4) How long have you/the owner been operating this business?
- 5) Are you/the owner originally from this area?
- 6) If not, where are you/the owner originally from?

(If different from person being interviewed :) In what country does the owner live?
Belize
- 7) What are your total monthly SALES for the last 12 months?
- 8) What percentage of those sales would you estimate derive directly from tourists?
- 9) If you can, please estimate the proportion of your total sales that are from **cruise tourists** rather than tourists in general? %
- 10) What are your total monthly PURCHASES for the past year?

11) What would you estimate is the proportion of your total purchases is for locally produced good and services?

II. Cruise Tourism and Business Operations

1) What are the peak months of the year for tourism? (or Please describe the seasonality of regional tourism:

2) How much, on average, does a **cruise passenger** spend at your business?

< \$5 \$10 \$25 \$50 \$75 \$100 or more

3) How much, on average, does a **stayover/overnight tourist** spend at your business?

< \$5 \$10 \$25 \$50 \$75 \$100 or more

4) Do you have any special arrangements with the cruise lines (such as special discounts or payments to the line)? Can you describe the arrangements?

5) Overall do you think tourism *on a whole* (not just cruise tourism) has been a positive or negative influence in this area?

Very good Good Mixed Mostly Harmful Very Harmful

Please explain why?

6) Overall do you think cruise tourism has been a positive or negative influence in this area?

Very good Good Mixed Mostly Harmful Very Harmful

Please explain why?

7) Whom else would you recommend I interview?

Thank you for your assistance.

**APPENDIX F
FARMERS/FISHERMEN INTERVIEW FORM**

**Farmers, Fishermen, Artisans, Casual laborers: Informal Interview
Form F**

(This should to include individuals not directly involved in tourism)



Date _____ Interviewer # _____
Survey Code (English, # _____)

I. General Information about Interviewee/Personnel

1) Are you originally from this area? Yes _____ No _____

a. If not, where are you originally from? When did you come to live here? (How many years ago?)

b. If not, do you still have contact with family or relatives where you are from? Do you support those relatives in any way?

2) Please tell us about your work:

3) How long have you been doing this type of work? _____

4) Are you planning on staying in this type of work?

- 5) What are your plans for work in the next year or two? What are your plans for work in the next 5 years?
- 6) Do you own the land and/or equipment that you currently use? If not, where does the owner live?
- 7) Has your access to land (fishing sites? Other resources?) changed in the last year or two? In the last 5 years?

II. Perceptions and Indicators of Environmental Change

- 1) Let's talk for a minute about the natural environment. In your work, what environmental resources (habitats, key species, etc) do you use?
- 2) Have you noticed changes in these environmental resources over the last 5 years? What changes have you noticed?
- 3) In your opinion, what has caused these changes?
- 4) What other environmental changes have you noticed? What has caused those changes?
- 5) How much have environmental changes in this area affected your yield? Please be specific!

III. Economic Information

Let's now talk about some economic information.

- 1) On average, roughly what is your monthly income today?
- 2) How many people do you support? How many other members of your family work for income?
- 3) Five years ago (or "At the time of XX"), what was your monthly income?
- 4) How has tourism in this areas affected your income?
- 5) How has cruise tourism in this area affected your income?
- 6) What percentage or proportion of your monthly income comes from cruise tourism?

7) What percentage or proportion of your monthly income comes from other types of tourism (stayover/overnight tourism, yacht visits, etc) ?

IV. Environmental Valuations

Please tell me how important the following things are to you personally: not important, somewhat important, very important, don't know.

Please circle one number for each item	Importance				
	Very Important		Somewhat Important		un-important
Quality of nature (forests, rivers, estuaries, etc)	5	4	3	2	1
Quality of beaches	5	4	3	2	1
Solitude or lack of crowds	5	4	3	2	1
Cleanliness or lack of pollution	5	4	3	2	1
Contact with nature	5	4	3	2	1
Entertainment or nightlife	5	4	3	2	1
High quality restaurants	5	4	3	2	1
Reasonable prices	5	4	3	2	1
Other (specify _____)	5	4	3	2	1

Thank you for your assistance.

APPENDIX G

GOVERNMENT OFFICIALS INTERVIEW FORM

Government Officials Form G



Date ____ Interviewer # _____
Survey Code (English, # _____)

I. General Information about Interviewee

- 1) Please tell us your job title:
- 2) What are your duties and responsibilities (your job description):
- 3) How long have you held this position? _____
- 4) Are you originally from this area? Yes _____ No _____
- 5) If not, where are you originally from?
How long have you been here?
- 6) What educational training or degrees have you received?
- 7) How has your job changed over the past 5 years?

II. General Demographic Trends and Information:

- 1) Approximately how many people of all ages live in this (city, town, community)?

- 2) How many of them work full or part time in tourism?
How many work specifically in tourism with the cruise companies?
- 3) Can you tell me how much the total population of your community has changed over the last five years? The last 10 years?

- 4) What has caused this change in population size?
- 5) What, roughly, is the ratio of men to women in the area?
- 6) Are there any official statistics or census information that I could use to better understand population changes over the last 5-10 years? Could you please help me locate them?
- 7) Does your community have a development or land use master plan? Could I see it?
- 8) Do you know any school officials or principals with whom I could speak? (I would like to ask them how school enrollment has changed over the last 5-10 years.)

III. Cruise Ship History

- 1) Have there been previous reports or studies of cruise tourism in this area? Could you help me find copies of those reports? Are the current contracts with the cruise lines available? [All the above may be available in government studies and cruise company websites]
- 2) What types of infrastructure and facilities for cruise tourism have been developed in the past few years (since cruise ships began coming)?
- 3) How has this investment been financed? By the government (national, regional, city), private businesses, cruise lines themselves? Can you give me a breakdown of who has financed what?
- 4) What are future plans for cruise ship development? Are the numbers projected to grow? Are new port facilities being added? Could you give me copies of documents and reports that describe these plans?
- 5) If additional cruise ship development is planned, what attractions (tours, services, etc) are planned?

Fees

- 1) Does your jurisdiction (community, town, city, etc) receive fees from cruise ship tourists or the cruise lines, or tour operators, etc? How much? From which fee mechanisms?
- 2) Who receives these funds? How are these funds used?

Water and Waste

- 1) Do the ships receive water while in port? [If yes, ask list from Lawrence's Schematic Chart]

- 2) Do the ships leave solid waste while in port? [If yes, ask list from Lawrence's Schematic Chart]
- 3) Do the ships leave liquid waste (human waste, bilge) while in port? [If yes, ask list from Lawrence's Schematic Chart]

Perspectives on Community Development.

- 1) What are the main advantages or benefits of cruise stopovers for this community?
- 2) What are the main disadvantages or negative aspects in your view? How could these negative aspects be changed?
- 3) If there were no cruise ships coming (or they ceased to come), what would the community do to improve the quality of life (income, education, safety) of its citizens?

IV. Wage and Employment Information

- 1) Please tell me what is the biggest/most important economic activity of this area?
What is the second biggest/most important form of activity?
Third biggest?
- 2) Have there been changes in this list over the last 5-10 years? What was biggest 5 years ago? 10 years ago?
- 3) Could you help me find data or statistics regarding the number of **licenses** issued each year in this community, going back 5 to 10 years or so for the following: (Where licenses are not available, **count** the number of each in the town:)
 - a. Taxi licenses
 - b. Fishing licenses
 - c. Hotel or lodging licenses
 - d. Restaurant licenses
 - e. Tour guides
 - f. Tour operators

Thank you for your assistance.

**APPENDIX H
PORT AUTHORITIES INTERVIEW FORM**

**Port Authority
Form I**



Date ____ Interviewer # _____
Survey Code (English, # _____)

I. General Information about Interviewee

- 1) Please tell us your job title:
- 2) What are your duties and responsibilities (your job description):
- 3) How long have you held this position? _____
- 4) Are you originally from this area? Yes _____ No _____
- 5) If not, where are you originally from?
How long have you been here?

II. Cruise Ship Information

- 1) How many different cruise lines run in this region? Which ones?
- 2) This time of year, roughly how many cruise ships stop at your port each week?
In the peak season, roughly how many cruise ships stop here each week?
- 3) In general, about how many cruise ships stopped here this past 12 months (one year)?
How many were there in previous 12 month period?

- 4) How does the number of cruise ship stopovers per week (or month) now compare with the number here per week (or month) 5 years ago? With 10 years ago?
- 5) How does the size (or capacity) of the ships today compare with those of 5 years ago? 10 years ago?

Infrastructure.

- 1) How much has been invested in infrastructure and facilities for cruise tourism in the port areas? How has that been financed? By the government (national, regional, city), private businesses, cruise lines themselves? Can you give me a financial breakdown of who has financed what?
- 2) Which of the following & how much does a cruise ship (or its passengers) pay:
 - a. Per passenger/visitor fee-
 - b. Mooring fee-
 - c. Gangway fee-
 - d. Security fee-
 - e. Municipal fee-
 - f. Private dock fee-
 - g. Other-
- 3) Can you give me details of how much was collected in each category in 2004 and in any previous years?

Water and Waste

- 1) Do the ships receive water while in port? [If yes, ask list from Lawrence's Schematic Chart]
- 2) Do the ships leave solid waste while in port? [If yes, ask list from Lawrence's Schematic Chart]
- 3) Do the ships leave liquid waste (human waste, bilge) while in port? [If yes, ask list from Lawrence's Schematic Chart]

Thank you for your assistance.

**APPENDIX I
TOURISM SECTOR INTERVIEW FORM**

**Tourism Sector
Form J**



Date _____ Interviewer # _____
Survey Code (English, # _____)

I. General Information about Interviewee

- 1) Please tell us your job title: _____
- 2) What are your duties and responsibilities (your job description):
- 3) How long have you held this position? _____
- 4) Are you originally from this area? Yes _____
- 5) If not, where are you originally from?
How long have you been here?
- 6) What educational training or degrees have you received?
- 7) How has your job changed over the past 5 years?

- 8) In your view, do government efforts to promote tourism have an impact on the image and reputation of this destination? ____ Y ____ N
 - a. If yes, describe: (capture in the respondent's own words)
 - b. Over all would you say the impact is:
Positive Negative Balanced

9) In your view, does cruise tourism have an impact on the image and reputation of this destination? ____ Y ____ N

a. If yes, describe: (capture in the respondent's own words)

b. Over all would you say the impact is:

Positive

Negative

Balanced

10) In your view does cruise tourism have an impact on the experience stayover tourists have in parks, on the reef, on excursions, etc? ____ Y ____ N

a. If yes, describe (capture in the respondent's own words)

b. Over all would you say the impact is:

Positive

Negative

Balanced

Cruise Ship History

1) Have there been previous reports or studies of cruise tourism in this area? Could you help me find copies of those reports? Are the current contracts with the cruise lines available? [All the above may be available in government studies and cruise company websites]

2) What types of infrastructure and facilities for cruise tourism have been developed in the past few years (since cruise ships began coming)?

3) How much has been invested in infrastructure and facilities for cruise tourism?

- 4) How has this investment been financed? By the government (national, regional, city), private businesses, cruise lines themselves? Can you give me a breakdown of who has financed what?

- 5) What are future plans for cruise ship development? Are the numbers projected to grow? Are new port facilities being added? Could you give me copies of documents and reports that describe these plans?

- 6) If additional cruise ship development is planned, what attractions (tours, services, etc) are planned?

Fees

- 1) Does your jurisdiction (community, town, city, etc) receive fees from cruise ship tourists or the cruise lines, or tour operators, etc? How much? From which fee mechanisms?
- 2) Who receives these funds? How are these funds used?

Water and Waste

- 1) Do the ships receive water while in port? ___ Y ___ N [If **yes**, ask list from Lawrence's Schematic Chart]
- 2) Do the ships leave solid waste while in port? ___ Y ___ N [If **yes**, ask list from Lawrence's Schematic Chart]
- 3) Do the ships leave liquid waste (human waste, bilge) while in port? ___ Y ___ N [If **yes**, ask list from Lawrence's Schematic Chart]

Perspectives on Community Development.

- 1) What are the main advantages or benefits of cruise stopovers for this community?

- 2) What are the main disadvantages or negative aspects in your view? How could these negative aspects be changed?

Thank you for your assistance.

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